



HONOLULU AUTHORITY for RAPID TRANSPORTATION

BUSINESS PLAN
for
FY2017



May 2016

Table of Contents

	Page Number
Glossary of Acronyms	
Introduction and FY2017 Executive Summary	3
HART Business Strategy	
Mission	7
Vision	7
Goals	8
Performance Metrics	8
Agency Progress: FY2016 Highlights	
Litigation	10
Project Delivery	10
Finances	18
Organizational Development	19
FY2017 Work Program	
Agency Business Operations	22
Honolulu Rail Transit Project Implementation	23
Procurement and Contract Administration Plans	28
HART Organizational Development Strategy	
Background	30
Federal Transit Administration Requirements	30
HART Organization	32
Future Organizational Development	32
HART Financial Strategy, Plans and Budgets	
Financial Strategy Overview	35
FY2017 Operating Budget	36
FY2017 Capital Budget	37
Debt Financing	38
Project Risk Factors	39
Appendices	
A – HART Balanced Scorecard	40
B – HART Organizational Structure – Construction Phase	47
C – Project Background and Description	54
D – Financial Charts and Tables	58

Glossary of Acronyms

AHJV	Ansaldo Honolulu Joint Venture
AIS	Archaeological Inventory Survey
AIT	Art-in-Transit
BOD	Board of Directors for HART
CE&I	Construction engineering and inspections
CM	Construction Management
DB	Design-Build contract project delivery method
DBB	Design-Bid-Build contract project delivery method
DBE	Disadvantaged Business Enterprise
DBOM	Design-Build-Operate-Maintain contract project delivery method
DPP	Dept. of Planning and Permits, City & County of Honolulu
DTS	Dept. of Transportation Services, City & County of Honolulu
EIS	Environmental Impact Statement
FD	Final Design
FEIS	Final Environmental Impact Statement
FFGA	Full Funding Grant Agreement
FTA	Federal Transit Administration
GEC	General Engineering Consultant
GET	General Excise Tax
HART	Honolulu Authority for Rapid Transportation
HCDA	Hawaii Community Development Authority
HDOT	Hawaii Department of Transportation
HECO	Hawaiian Electric Company
HFD	Honolulu Fire Department
HPD	Honolulu Police Department
H RTP	Honolulu Rail Transit Project
MMIS	Maintenance Management Information System
MOU	Memorandum of Understanding
NEPA	National Environmental Protection Act
OCC	Operations Control Center
OCIP	Owners Controlled Insurance Program
OIBC	Oahu Island Burial Council
O&M	Operations and Maintenance
OSB	Operations and Servicing Building
PE	Preliminary Engineering
PLA	Project Labor Agreement
PMSC	Project Management Support Consultant
PMP	Project Management Plan
P3	Public-Private Partnership
QA	Quality Assurance
QAP	Quality Assurance Plan
RCMP	Risk and Contingency Management Plan
RFI	Request for Information
RFP	Request for Proposals
RFQ	Request for Qualifications
ROC	Rail Operations Center
ROD	Record of Decision
ROW	Right-of-Way
SHPD	State Historic Preservation Division
SSCP	Safety and Security Certification Plan
SSMP	Safety and Security Management Plan
TAC	Transit Art Committee
TMSC	Transit Management Services Contractor
TOD	Transit-Oriented Development
TSA	Transportation Security Administration
TVA	Threat and Vulnerability Analysis
TVM	Ticket Vending Machine
VE	Value Engineering
YOE	Year of Expenditure

HART FY20167 Business Plan

Introduction and Executive Summary

This document constitutes the sixth annual Business Plan for the Honolulu Authority for Rapid Transportation (HART) covering fiscal year 2017 (July 1, 2016, through June 30, 2017). The Business Plan describes HART's business strategies, planned work activities and resource allocations during fiscal year 2017 in accordance with the agency's responsibility for building and ultimately operating the Honolulu Rail Transit Project (HRTTP), from East Kapolei in West Oahu to Ala Moana Center currently expected to begin operations in early calendar year 2022.

The FY2017 HART Business Plan describes why HART exists as an organization; the goals and performance measures the agency has established; what it will seek to accomplish during its sixth year; and how it will go about performing its responsibilities. The HART Board of Directors (BOD) will review and approve the FY2017 Business Plan in conjunction with its final approval of an FY2017 Budget. The annual Business Plan provides historical information and a projection of key operating and financial information for the fiscal year which is the focal point of the Plan. When the agency completes construction and testing of the HRTTP, and should HART become the operating agency, future business plans will provide not only historical information but also include look-ahead projections of operating and financial information two years beyond the fiscal year which is the focus of the Business Plan.

FY2017 Executive Summary

FY2017 will be another critical year for HART coming on the heels of the difficulties the agency has faced over the past several years. Events during FY2015 and FY2106 caused HART to take affirmative steps to work on resetting the HRTTP budget and schedule with the latest information available. As of the end of FY2016, the revised project cost estimate is \$6.8 billion and the schedule for the start of operations has been reset to 2019 for interim operations and 2022 for full service operations over 20 miles. With these changes, during FY2017 HART will have four key priorities:

- Cost Containment and change order oversight
- Risk mitigation
- Schedule adherence, and
- Enhanced communications and transparency

Despite these challenges, as the agency enters the new fiscal year, there are reasons to be positive about where things are at. All but two of the construction contracts for the project will have been awarded by the end of FY2016 and the western ten miles of the rail guideway will be substantially completed in FY2017. Construction has started on the first rail stations, the Rail Operations Center (ROC) is near completion and the first railcars have been delivered to the island. No new litigation has been initiated on the project and construction work is proceeding in an effort to catch-up with delays caused by past litigation. Federal

support for the project is strong and running close to plan. There remains a high level of interest in creating transit-oriented development (TOD) and more affordable housing around rail stations with several projects in the works. And the agency's financial situation has improved with approval of an extension of the general excise tax (GET) surcharge that will help cover increased construction costs and an expected shortfall in the project's GET revenue sources.

Despite these positives, HART will face very big challenges in FY2017 and over the next several years. Major construction contracts will be awarded during the year totaling nearly \$1.8 billion in contract value. The agency will need to issue short term debt to help deal with cashflow needs for the increasing level of expenditure that will occur as a result of all the construction activity on the project. The agency's Financial Plan will need to be updated to reflect a revised project budget, schedule and current revenue picture. Finally, and of critical importance, will be HART's efforts to manage the ongoing construction against the reset schedule and budget for the project while mitigating traffic impacts and maintaining close communications with businesses and residents along the route under construction.

Under the work program planned for FY2017, by the end of the fiscal year, HART will have achieved several milestones for the project. Approximately 50% of the rail guideway will have been completed with track installed and installation of needed systems underway. Construction will be underway on all of the nine stations on the western portion of the alignment. Contracts for construction of the remaining sections of guideway and the remaining 12 stations will have been awarded. Property acquisitions, third party agreements and any needed permitting are targeted for completion by the end of FY2017 in time for work on the Airport and City Center sections to begin during late FY2017 and in FY2018.



Aesthetic columns at the site of the Waipahu Transit Center Station

During FY2017, the HART Board and the agency's management and staff will need to undertake several actions including some major policy decisions. These include:

- Updating the agency's Financial Plan to reflect the extension of the GET surcharge, the results of solicitations for the remaining major construction contracts and the final

- resolution of utility relocation matters with Hawaiian Electric Company (HECO) and others
- Taking actions to address specific findings from recent audits
 - Awarding the final major construction contracts for the project
 - Making a decision on how to proceed with the Pearl Highlands Parking Garage and whether it is feasible to have a public-private partnership (P3) for TOD at the Station that would include the planned parking for the rail line
 - Making a decision on whether to initiate planning for future extensions of the rail line during FY2017 or delay any such effort until a future time
 - Making a series of key Fare Policy decisions to guide the final design of the rail and bus fare collection system need to be made by the middle of FY2017
 - Making decisions that concern the future operations and maintenance of the integrated rail and bus system including:
 - The integration of administrative functions between the rail operation and the City and County's bus operation to save money and provide good customer service
 - How the rail line will be policed by law enforcement and security personnel
 - How HART would execute oversight of the operating contractor and carry out the functions such as inspections and repairs of stations and the aerial guideway structure
 - Progress on determining how the operations and maintenance of the combined rail and bus public transportation system will be funded by the City and County of Honolulu in the future

Note: Several of these decisions will be informed and guided by the results of a possible Honolulu City Charter amendment currently being considered by the Honolulu Charter Commission established by the City and County of Honolulu and a possible vote of the public in November 2016.

During FY2017, HART will once again have to face a number of risk factors that could adversely impact the schedule and budget for the project and the underlying assumptions and projections that have been made on both aspects. This includes the following:

- The high level of construction on Oahu has and will continue to result in greater competition for resources in a confined, remote marketplace and thus higher costs for materials, labor and construction equipment
- Timely award of the last major design-build construction contracts for the project which could be subject to delays in the evaluation process and/or protests from proposers
- Timely availability of construction sites for contractors to avoid costly delays
- Timely relocation of utilities along the alignment at reasonable costs
- Interest rate increases driven by marketplace dynamics, world events and federal policy actions
- Actual vs. planned GET surcharge growth in the future.

HART has experienced the impacts of some of these risks over the past several years. The agency has and will continue to take steps to address the impacts by re-setting the project's budget and schedule and will do so again if circumstances require action to be taken. HART

will continue to take steps to minimize or protect against potential impacts to the maximum extent possible while carrying out the implementation of the H RTP. Specific actions include at least the following:

- Monitoring and controlling the pace of construction and carefully evaluating change orders that arise
- Taking steps to foster greater competition for any new construction contracts
- Timely award of these construction contracts
- Completing permitting, utility relocations and property acquisitions in a timely manner to avoid construction delays
- Managing the project scope and budget carefully to maintain a cost cushion against exceptional cost increases and/or underperforming revenue receipts while still delivering a quality product for the public to use and one that is consistent with the commitments HART has made and with the project's Final Environmental Impact Statement (FEIS)
- Making needed policy decisions in a timely fashion
- Maintaining the organization's technical capability and financial capacity to successfully carry out implementation of the project as well as preparations for the start of passenger service.

HART Business Strategy

Public transportation is a service business that utilizes both human and physical assets to deliver its product in the marketplace. A transit agency is in competition with the automobile to increase its share of the travel market. Success in achieving a greater market share requires that a transit agency have a clear strategy for how it will go about delivering its product to prospective consumers. As a public agency, HART's business strategy must not only be easily understandable to the agency's employees and contractors but must also be understandable to the general public.

This section of the FY2017 Business Plan describes the basic elements of the HART business strategy. The elements include statements on why the agency exists and what it is trying to achieve, as well as a framework for how HART will go about accomplishing what the public has asked it to do. This framework includes Goals and a "Balanced Scorecard" (BSC) for measuring and tracking over time how well HART is doing its job. A later section of the FY2017 Business Plan describes the organizational development strategy HART is utilizing to achieve its Mission and Vision and accomplish the Goals the BOD has established.

Mission Statement (*why the agency exists under Revised Charter of the City & County of Honolulu provisions*)

HART's Mission is to plan, design, construct, operate and maintain Honolulu's high-capacity, fixed guideway rapid transit system.

Vision Statement (*what HART is trying to achieve*)

In accomplishing its Mission, HART will contribute to the quality of life on Oahu by:

- **Mobility**: Improving mobility for all residents, visitors, and businesses on Oahu particularly in the densely populated and congested corridor along the urbanized southern shore of the island.
- **Reliability**: Improving the reliability of travel in the corridor by offering a travel choice that will not be subject to at-grade level traffic congestion.
- **Land Use**: Supporting the City's land development policy by providing access to an area targeted for development of a new urban center and helping create TOD along the rail line.
- **Equity**: Providing people who are dependent on public transportation with an improved means of accessing economic and social opportunities and activities.
- **Sustainability**: Protecting the environment and lessening dependence on non-renewable fossil fuels.

Note: This **Vision Statement** is based in part on the EIS prepared for the H RTP.

Goals *(how HART will go about accomplishing the Vision and fulfilling its Mission)*

In order to accomplish its Mission and realize the benefits described in the Vision, HART must accomplish the following goals:

1. **Project Delivery**: Complete the project in conformance with the revised project budget and schedule while:
 - Ensuring the safety and security of the public, HART employees, and construction workers;
 - Minimizing the impacts on adjacent natural, cultural, and built environments and communities; and
 - Fulfilling environmental mitigation commitments.
2. **Service Delivery**: Ensure that the design and actual construction of the project will facilitate the delivery of safe, high quality, and cost-efficient service in the future.
3. **Stewardship of Resources**: Maintain public trust through the prudent and transparent use of financial, human, and environmental resources.
4. **Livability**: Support the creation of mixed use, pedestrian-friendly, compact development along the rail line.
5. **Partnerships**: Pursue partnerships with the private sector to create economic opportunities and generate income and cost savings for the rail transit system.
6. **Agency Culture**: Foster an organization that is open, accountable, inclusive, and delivers better than promised results.

Performance Metrics

Performance expectations and metrics flow out of the Vision and Goals for the agency and are intended to help an organization measure its progress toward achieving the Vision and Goals. Performance metrics for HART will help the BOD and agency management, as well as the Authority's stakeholders and the general public, measure and evaluate the agency's progress and will aid in maintaining transparency on what HART is doing with taxpayer money. Management staff will compile and provide periodic reports to the BOD on the performance metrics. The information will also be reported to the City Council and the community in an annual report.

Performance metrics for HART have been incorporated into a BSC for the agency. The BSC establishes and will track over time metrics that measure performance in achieving the Goals which the BOD has established for the agency. The proposed HART BSC is shown in **Appendix A** of the Business Plan.

As shown in Appendix A, the HART BSC is structured to provide performance measures and metrics encompassing the six Goals the BOD has approved. The BSC establishes the fiscal year objectives for each measure. Space is provided for HART management to provide information on actual results or status for each of the performance measures and metrics delineated in the BSC during quarterly reports to the HART BOD. These reports will include a summary of any material changes in the status of performance measures to enhance the transparency of the progress being made on implementing the H RTP.

In FY2017 and for the next several years HART will be engaged in completing the construction of the H RTP. The earliest that actual operation of rail service will begin is 2019 with the start of interim operations on the western section of the rail line. As such, the BSC shown in Appendix A is heavily oriented toward project implementation. The BSC does include some measures dealing with Service Delivery as it relates to the current project implementation stage of the project. Additional metrics will become meaningful when actual revenue service begins. Illustrative examples of such metrics include:

- Ridership level
- Reliability measures including:
 - On-time departures/arrivals
 - Miles between mechanical failures
 - Elevator and escalator availability (% of time available during operating hours)
 - Fare collection equipment availability (% of time available during operating hours)
- Safety and Security measures including:
 - Accidents per 100,000 passengers
 - Security incidents per 100,000 passengers
 - Employee on-the-job injuries
- Financial measures including:
 - Operating Ratio
 - Cost per vehicle hour and vehicle mile
 - Cost per passenger
 - Accident Claims received/closed/outstanding

Given the current project implementation focus of HART's business activities, HART management provides quarterly updates of the HART BSC in reports to the BOD and the public. When actual revenue service begins on the rail line, monthly BSC reports will become relevant.

Using a BSC which ties to the Goals that HART has established will enable the agency to evaluate its progress on achieving the agency's Mission and Vision and to report to its stakeholders and to the community

Agency Progress: FY2016 Highlights

The period from July 1, 2015 thru June 30, 2016 was HART's fifth year of existence. During the year, the agency did make progress toward achieving the vision of bringing transformative rapid transportation to Oahu despite the challenges many of which were created by the super-heated level of construction underway on the island and past delays to the project schedule. Shown below is a brief summary of major events, challenges and accomplishments that occurred during HART's fifth year:

Litigation Matters:

No new litigation concerning the project was initiated in FY2016. However, the 13 month project schedule delay caused by that previous litigation continued to bedevil the project in FY2016. This delay has contributed to the approximately \$170 million in delay claims the project has incurred which have all been resolved.

Project Delivery:

- Significant construction progress was made in FY2016. As of the third quarter, the following construction had been completed on the western guideway section and at the ROC:
 - 320 guideway support columns in place
 - 430 column foundations completed
 - 4,300 guideway segments had been cast
 - 270 spans erected
 - 4.6 miles of track on the guideway has been installed
 - 95% of the ROC completed and all track is in place
 - The first four-car train set has been delivered and is at the ROC

The Rail
Operations Center



While the construction of the guideway is behind schedule, approximately 7seven miles of the guideway will be up and with track in place by the end of FY2016. The Core Systems contractor Ansaldo Honolulu Joint Venture (AHJV) is on schedule with the design and manufacture of the project's railcars.

- As of the third quarter of FY2016, overall project completion is approximately as follows:
 - Percentage of overall project completed = 45.0%
 - Percentage of design completed = 88%
 - Percentage of construction completed = 37%
 - Percentage of utility work completed = 41%
- While progress was made in FY2016 under previously awarded construction and systems contracts, the letting of new construction contracts ran into major problems. Bids received in FY2015 for the nine station Westside Station Group greatly exceeded budget estimates. This occurrence resulted in the cancellation of the solicitation and the temporary suspension of the procurement for the Pearl Highlands Garage. A major effort was then undertaken to review the project including an analysis of the new circumstances now facing HART with the high level of construction underway on Oahu. This effort considered ways to reduce costs and achieve a 2022 opening date for the project and included extensive contractor interviews.
- Updated cost estimates were developed for the Westside stations and the remaining portions of the rail alignment in the fall of 2015. The result of these efforts was a new plan for how construction of the remaining project elements should be carried out. This revised plan includes a re-packaging of contracts and a change in the delivery method for the eastern 10 mile section of the rail alignment with the following specific elements:
 - Construction of the nine Westside stations was broken up into three packages of three stations each to increase competition.
 - The schedule for the start of interim service on the Westside was pushed back from 2017 to 2019 to ease schedule pressure on prospective contractors.
 - The construction of the eastern portion of the rail alignment, including both the guideway and the stations, was broken into two sections, both of which will be procured using the design-build (DB) project delivery method.
 - Utility relocation and miscellaneous civil work in the City Center area were included in planned DB contract for that section.
- During FY2016, results under the above described plan and progress on previously awarded construction contracts has been as follows:
 - Bids for the three packages of Westside stations were advertised starting in late FY2015. The bids received were significantly better than when all nine stations were advertised as a group and were at or close to estimates. Three contracts, one for each package of three stations, were awarded, resulting in a savings of \$38 million.
 - A groundbreaking for the first of the nine stations (West Loch and Waipahu stations) was held and construction work will start in early FY2017.



Groundbreaking at
the West Loch Station

- A solicitation for the Airport Guideway and stations DB contract was issued. Three potential proposers were qualified and proposals were received from them in April. A contract to the firm selected is expected to be awarded in May of FY2016.
- A solicitation for the Center City guideway and stations DB contract was also issued. Proposals are due in October of the current calendar year.
- Construction of the H2R2 ramp was suspended when contaminated soil was discovered at the site. HART and State of Hawaii Department of Transportation (HDOT) have worked cooperatively to address the problem and construction will resume in FY2017.
- The Pearl Highlands Parking Garage project remained on hold pending a determination on the feasibility of a possible P3 for a development that would include the parking garage for the station. A Request for Interest (RFI) was issued in March and responses are due in May FY2016. The expressions of interest in a P3 that HART receives will determine whether a P3 project will be pursued or, alternatively, construction bids for the garage will be sought. The full cost of HART building the Garage is included in the current \$6.8 billion estimate to complete the project. A decision on how to proceed with this important element of the project's scope is expected in the first quarter of FY2017.
- Work on manufacturing the Elevators and Escalators to go into the stations is on hold pending resolution of final schedules with Kiewit for the west guideway as well as the station construction schedules particularly on Kamehameha Highway.
- Third Party Agreements – HART made significant progress reaching third party agreements with other governmental units and private interests in the corridor. These agreements include partnering arrangements that will advance elements of the HRTTP while assisting the partners to accomplish improvements they would like to make. The

agreements will save money, minimize conflicts and help avoid repeat disruptions to adjacent communities and businesses along the rail alignment. Specific cases include the following:

- Roadway improvement along Farrington and Kamehameha Highways – HDOT and HART worked together to have the HART guideway contractor put in place needed road changes and improvements that HDOT would normally be responsible for. This means that the adjacent businesses and residential areas will only be impacted once during rail construction. HDOT will reimburse HART for the costs of the roadway work.
 - A new road at the UH-West Oahu campus – HART's contractor building the temporary park-n-ride lot contractor will build the new roadway for UH to avoid the costs of obtaining and mobilizing a separate contractor to build the roadway. UH will reimburse HART for the costs involved.
 - Special maintenance equipment for HECO – HART and HECO are testing special trucks for HECO to use to maintain power lines along the Farrington and Kamehameha Highways to avoid much of the cost of relocating the power lines.
 - Additional parking at the Ho'opili Station – DR Horton has worked with HART to possibly expand the temporary parking that will be provided at this station utilizing DR Horton land.
- Fare Collection System – A significant step was taken in FY2016 to put in place a joint fare collection system for the rail line and Honolulu's bus system. After issuing a Request for Qualifications (RFQ) for a fare system contractor in FY2015, a best value RFP competitive procurement was initiated in the first quarter of FY2016. A \$31 million contract to design, build, operate and maintain (DBOM) the joint bus-rail fare system was awarded in March to Init, Innovations in Transportation, Inc., based in Virginia. The fare system will be account based using smart card technology for payment with electronic tickets and passes. It will provide for seamless transfers between rail and bus services. Customers will be able to load fare value on their farecards in rail stations, via the web and at terminals that will be located at the Middle Street Transit Center, satellite City Halls and at approximately 200 retail outlets across the island.

Components of the system include the following based upon the preliminary design:

- Back office account management system, data warehouse and financial accounting management system
- Rail ticket vending machines – 110 units with 22 spares
- Station faregates – 139 units with 27 spares
- Bus card readers – 605 units with 120 spares
- Customer service terminals – 15 with 3 spares
- Various ancillary equipment including bus driver display units, spare parts, a test bed, mobile data routers and routers in rail stations to communicate data for station-based fare equipment.

The preliminary schedule for implementing the new joint fare system is as follows:

- Bus system pilot implementation in the 4th quarter of FY2018
- Full bus system implementation and start of back office operations in 1st quarter of FY2019
- Interim rail operation at 9 stations in early 2019

- Full rail operation at additional 12 stations in early 2022

The procurement, implementation and future operation of the joint system is guided by two Memoranda of Understanding (MOU) between HART and the City Department of Transportation Services (DTS), one dealing with capital aspects and one dealing with future operations of the fare system. These two MOUs provide for the following:

- Capital and future operating costs will be split 50/50 between HART and DTS and the two agencies will have joint ownership of system assets
 - Oahu Transit Services (OTS), the City's Transit Services Management Contractor (TSMC), will be responsible for customer service, account management and maintenance of the rail station fare equipment as well as the bus fare equipment
 - Init will provide system maintenance for two years after startup of system operations as well as back office operation of the system thru the 10-year timeframe of their contract
 - HART will utilize a third party security firm to collect cash from the rail stations
- Core Systems and Rail Equipment – For this key element of the project, several significant events occurred during FY2016:
 - A change order was negotiated with the Core System contractor AHJV to change the train configuration to four cars from the originally planned two-car consist. This resulted in a \$5.2 million credit to HART.
 - The first four-car train was delivered to Oahu and transferred to the ROC for inspection and testing. AHJV is on schedule to deliver the remaining 19 four-car trains.



The first rail cars arrived at the Rail Operations Center in April

- AHJV is 30 months behind their original schedule for systems elements of the project primarily due to delays in construction of the west half of the guideway

and stations. However, they are positioned to have all systems in place to meet the current schedule to start interim operations in 2019 on the western 10 miles of the project.

- HART was able to resolve AHJV's 277-day delay claim for \$8 million.
 - In November 2015 the sale of Ansaldo Breda to Hitachi was closed. HART staff is working to insure that the pending transition of Ansaldo STS to Hitachi will not affect the schedule, quality or performance of the railcars and project systems and that all prior assurances and protections will carry forward under the new ownership.
- Utility Relocation: During FY2016, work was underway along the length of the first 10 miles and in the section between Aloha Stadium and the Middle Street Transit Center past the Honolulu Airport. HART staff and HECO made substantial progress in working through issues associated with the need to either relocate or leave in place power lines in various sections of the rail alignment. For the area along Farrington and Kamehameha Highways, HART borrowed special bucket trucks for HECO to test for maintenance of overhead lines in the vicinity of the elevated guideway structure. These trucks are currently being tested by HECO. If the testing is successful, the trucks would avoid having to relocate or underground the power lines along the two highways saving the cost and disruption involved with moving the lines. Along Dillingham Boulevard, with its tight cross section, HART has agreed to pay for undergrounding the lines. HART and HECO are currently working together to determine when the undergrounding should occur – prior to guideway construction, after the guideway is up, or perhaps in a phased manner to minimize costs and conflicts. The estimated cost (\$120 million) of the undergrounding has been included in the current \$6.8 billion cost estimate for the project.
 - Property Acquisition: HART has obtained construction access to approximately 92% of the land area required for the project. To date, the real estate expenses are running \$7 million under budget. The following table provides a snapshot of the status of property acquisitions at the end of the third quarter of FY2016:

	Current No. of Parcels Needed	Site Control Obtained	Acquisitions Completed	Relocations Completed	Properties Available for Contractor
Full Acquisitions	44	41	39	31	39
Partial Acquisitions	94	25	13	--	14
Easements	85	51	13	--	50
Totals	223	117	65	31	103

As the project proceeds, there may be additional parcels identified as needed. Of the currently identified parcels needed, 146 are privately owned and 77 are government owned. Acquisitions Completed includes 49 that were privately owned. There are 16 agreements completed for the transfer or joint use of government owned parcels.

Of particular note, during FY2016 an agreement was reached with the US Navy for the use of nine parcels in the vicinity of Pearl Harbor. Also, by the end of FY2016, HART

expects to reach agreement with the US Postal Service and the Aloha Stadium Authority for use of properties owned by both entities.

- Procurement Activities: In late FY2015 and during FY2016, the following significant procurement actions were taken:

- Farrington Highway Stations contract awarded June 2015
- West Oahu Stations contract awarded July 2015
- Construction Engineering & Inspections contract awarded September 2015
- Kamehameha Highway Stations contract awarded January 2016
- Fare Collection System contract awarded April 2016
- Independent Financial Auditor contract awarded March 2016

For the eastern half of the rail alignment, the following was accomplished:

- Pre-qualification of firms for the two remaining east segments of the rail alignment was completed resulting in the identification of three qualified firms for each segment to submit proposals for the DB contracts
- Technical and price proposals for the Airport segment DB contract were received from all three firms in April and are currently under review and evaluation
- Technical and price proposals for the Center City segment are due in the 3rd quarter of FY2017
- Undertook procurements of outside specialty legal counsel and appraisal services to assist in property acquisitions and related litigation that may occur

Finally, a number of actions were completed or are in progress involving procurement of miscellaneous consulting services for real estate support, Kakaako planning activities, fare collection technical support, construction claims support and art-in-transit.

- Contract Administration Activities – During FY2016, the Contract Administration group accomplished the following key activities on top of normal business requirements:
 - Got fully staffed up to three Contract Administrators and three Assistant Contract Administrators plus the Director
 - Began a re-write of the agency's contract administration procedures
 - Issued a new Change Order procedure which helped streamline the process greatly, improved documentation and resulted in more complete Change Order files
 - Made significant progress on processing non-construction related invoices
- Job Creation: In FY2015, the number direct jobs working on the project increased to 1,550 of which about 63% are local jobs
- Planning: Key activities completed in FY2016 included:
 - Completed negotiations with HDOT for an agreement for construction of the H2R2 ramp
 - Issued an RFI for identifying the potential to create a P3 that would involve construction of the needed station parking garage at Pearl Highlands
 - Reviewed project designs to identify excess parcels that could be made available for possible future station area TOD development in coordination with the City's Department of Planning and Permitting (DPP)

- Hosted the annual meeting for FTA and Section 106 Programmatic Agreement stakeholders
 - Continued efforts to monitor approved permits and mitigation plans for compliance by the contractors involved.
 - Coordinated with DTS on bus integration
 - Lead efforts on project elements that support multimodal integration including bike share and bike/pedestrian path connectors
 - Secured green energy rebate from the State of Hawaii clean energy program
 - Ensured photovoltaic and other energy efficiency actions are incorporated in project elements.
- TOD: In FY2016, HART continued to devote staff time to land use planning and coordination with partner agencies and surrounding landowners. HART staff worked with DPP on TOD community plan development efforts for several station groupings. Also, HART staff collaborated with DPP which received a US Environmental Protection Agency Brownfields Assessment Grant and Federal Transit Administration Technical Assistance Grant for TOD. During the year, HART participated in State TOD Meetings composed of representatives from HART, the City, the State and various other organizations and groups.
 - Construction and Traffic Impact Mitigation: HART continued to take a multi-pronged approach in FY2016 in keeping the public informed about construction and traffic impacts to communities and businesses along the alignment. HART had the following programs and activities underway in this multi-pronged approach including:
 - Open for Business Initiatives: Our “Open for Business” initiatives include signage, collateral, coordinating our work schedules when possible to allow for busy times and deliveries, and making sure our contractors keep access to businesses clear. The contractor also provides notices and detour maps for businesses to give to their customers, email to contacts and place on their websites.
 - HART’s Business Alliance Program: More than 1,000 businesses are currently signed up for the program that provides regular updates on business outreach programs, including free workshops and other business development programs. The Alliance also provides feedback to help refine and enhance existing mitigation programs. One-on-one meetings and construction updates for businesses are also provided.
 - Monthly Business and Community Meetings: In addition to the regular Business Alliance meetings, additional monthly business and community meetings are held to provide project updates and traffic information.
 - Business Briefings: HART holds tailored briefings regularly for various business groups along the route, including businesses in the Dillingham and Kakaako areas. These targeted briefings are designed to answer questions specific to individual business and business groups’ concerns.
 - Shop & Dine on the Line: HART’s Shop & Dine on the Line Program is a partnership with businesses to assist them during construction. About 100 businesses in the Waipahu, Pearl City, and Aiea areas are currently participating in the program, which includes discount offers pulled together under and encourages people to visit

businesses impacted by construction and mention the Shop & Dine on the Line Program to receive special discount offers as an incentive to generate additional customers during construction. The special offers are distributed in brochures, using social media, and can also be found at www.ShopAndDineOnTheLine.com and via our mobile site.

- Shop, Dine & Shuttle: This free trolley service is provided to customers and area residents so that they can patronize businesses along the rail corridor. HART's initial service started at Aloha Stadium, which encouraged swap meet goers to participate, and ran along Kamehameha Highway, stopping at various shopping centers and plazas. A similar program will be considered for the Waipahu community.
- Art-In-Transit (AIT) Program: The Transit Art Committee (TAC) composed of art and design professionals and HART staff completed its evaluation of the artist applications received and recommended a pool of artists for all 21 stations and for the Operations and Service building at the ROC. Confidential negotiations with the artists for the nine westside stations and the ROC building began. Selection of the artist for each art opportunity is made public upon the execution of the contract. Three have been completed: UH-West Oahu and Ho'opili stations and the ROC/Operations and Service Building. These three artists are presently working on conceptual designs for their art work. Negotiations with the remaining seven artists are on-going at the end of FY2016.

Finances:

- Project Cost Estimate – The continued escalation of construction costs on Oahu driven by a high level of construction activity continued to be a major problem for the project. This fact plus challenges associated with utility relocations, in particular with HECO, has necessitated the need for staff and the agency's consultant team to update the Independent Cost Estimate for the project in the fall of 2015. The current project cost estimate is \$6.8 billion, an increase of \$800 million. This revised estimate does include \$539 million in contingency. The project cost estimate will be updated again in FY2017 following the results of the procurements for the two remaining guideway contracts and negotiations with HECO on a final utility relocation plan.
- Project Revenues – In early FY2016, the bill to extend the GET tax by five more years was signed into law by the Governor. In January of 2016 the Honolulu City Council approved the extension and it was signed into law by the Mayor on February 1st, 2016. These actions will provide the project an additional \$1.8 billion thru 2027. Additional revenue results in FY2016 include:
 - GET collections during the year are expected to total \$236.2 million, bringing the total collected to date to \$1.38 billion, which is \$45 million less than forecast in the project's June 2012 Financial Plan. Recent receipts have come in better than expected, but the projected \$100 million GET shortfall in the future remains an issue.
 - HART expects to receive \$161.5 million in FY2016 from the FTA, bringing total federal funding actually received to date for the HRTF to \$573 million. Congressional appropriations for the project are \$1.306 billion, which is approximately 85% of the \$1.55 billion committed to the project in the Full Funding Grant Agreement (FFGA). The President's FY2017 budget includes

another \$244 million for the project which if appropriated will complete the federal commitment to the project under the FFGA.

- Financial Reporting – Staff continued to work on improving HART’s financial reporting to the HART Board, the City Council and the State Legislature and to the community through the HART website. The monthly reports and the agency’s quarterly Balanced Scorecard are distributed widely and regularly.
- Financial Audit – Completed the agency’s fourth annual financial audit cycle, which yielded overall favorable conclusions and only one finding concerning compliance with the federal Davis-Bacon Act prevailing wage requirement, specifically, that some contractors on the project were not timely submitting the required payroll reports. Staff has taken action to insure that all contractors and subcontractors are submitting payroll reports in a timely manner.
- Construction Insurance – HART continued administration and oversight of the project’s Owners Controlled Insurance Program (OCIP) which provides coverage for Workers Compensation, General Liability and Excess Liability for Construction Contractors performing work within the physical geographical limits of the project. The OCIP also includes such coverage for designated sites not within the physical limits of the project such as the casting yard and storage facilities. HART also provides Builders Risk coverage for Construction Contractors while performing construction work on the project within the project limits, including designated sites not within the physical limits of the project. The On-Call Construction Contracts are not covered by the OCIP and are not covered by Builders Risk. Marsh is the HART OCIP consultant and Aon Hawaii is providing brokerage services.

Organizational Development:

- Staffing – In FY2016, HART continued its efforts to insure that the organization has the technical and administrative capability needed to meet the challenges the project faces. Several key positions were filled with highly qualified people including:
 - Director of Planning, Right-of-way and Utilities
 - Director of Operations and Maintenance
 - Director of Design and Construction
 - Safety Certification Manager
 - Director of Communications
 - Chief Financial Officer

These efforts are mindful of the need for HART to continue to have the technical capacity needed to carry out the largest public works project in Hawaii’s history and to meet FTA requirements in accordance with the FFGA. All of the above positions were filled with people that have substantial experience in dealing with the type of construction and technology that are inherent in the H RTP and the administrative and management functions needed in a public agency that is undertaking the largest public works project in Hawaii history. In addition, HART continued the transition of consultant provided embedded staff in several positions to positions held by HART employees.

- Training activities for HART staff continued in FY2016 covering a wide variety of areas including ethics awareness, safety awareness, the Contract Management System and

various other computer systems, procurement, quality assurance, civil rights, and environmental related areas.

- Preparing for future operations:
 - Operations Management – A highly qualified new Director of Operations and Maintenance was recruited. The individual hired has 35 years of experience in transportation operations including as a senior operations manager for the Vancouver, BC Rapid Transit system which is an automated, driverless train system very similar to the HRTTP.
 - Bus – Rail Integration: The working group established with DTS and its transit management contractor OTS continued its work on exploring how best to integrate bus and rail services, as well as opportunities for consolidating administrative and other functions between HART and DTS/OTS to enhance cost efficiency and customer service.
 - Maintenance Management Information System (MMIS) – The subcontractor hired by AHJV advanced work on developing the MMIS system. This system will be used by AHJV, HART Operations management, and other vendor contractors as an integrated maintenance tracking and scheduling system.
 - Policing – Staff continued work with the Honolulu Police Department (HPD), the State Sheriff office, the FBI Division and the Transportation Security Administration (TSA) on refining a plan for providing security on the rail line and at rail facilities in preparation for the HART Board to adopt a plan.
- On Safety and Security, several things were done in FY2016 including:
 - Achieved an outstanding on-the-job injury rate of 0.16 injuries per 200,000 work hours, well below the 3.8 injuries per 200,000 work hours typically experienced by projects of a similar size and complexity and well below the 4.6 rate in Hawaii. Work stand-downs were ordered twice for Kiewit and six times for various subcontractors when problem trends or unsafe practices were observed by HART staff.
 - Various HART committees continued to meet regularly including the Fire-Life-Safety Working Committee, the Safety and Security Review Committee for design reviews, and the System Safety Executive Committee made of senior HART staff.
 - Training was held for emergency and first responders at the ROC. No other formal training exercises or table-top exercises were held during the year.
 - On Safety Certification, work continued on verifying items in the Design and Construction phase to ensure compliance with Federal, State, City, local laws and regulations, and that best practice codes and guidelines are followed and hazards are mitigated to ensure the safest transit system possible. Work was done to prepare for safety certification of the ROC and yard in preparation for final occupancy in late FY2016.
 - In the area of Federal Rail Safety Oversight requirements, HART staff meets weekly with HDOT and quarterly with FTA representatives to review a wide range of matters associated with project design, construction and future operations.
 - Staff continued to hold regular meetings with the Core Systems contractor AHJV on planning for operations and safety certification efforts.

- On Equal Employment Opportunity (EEO) matters, HART will have achieved the following in FY2016:
 - Disadvantaged Business Enterprise (DBE) participation on the project to date totals 6.3% of FTA funding drawdowns against the approved project goal of 13%. This is an improvement over the FY2015 level of 5.7%. Participation results are expected to improve with the construction contracts awarded in FY2016 and as additional construction contracts are let in FY2017 and beyond.
 - Staff undertook efforts to work with contractors whose DBE performance was lacking, making use of specific DBE participation requirements incorporated in newer contracts let by HART. These efforts include working to see if contractors are making good faith efforts to utilize DBEs. Monthly reports on this area are submitted to the FTA.
 - The agency's workforce utilization profile remains very close to matching the service area's population make-up with underutilization existing in only three areas, one of which has less than 2% workforce availability. Recruitment efforts for all three will continue to be a focus in the future.
 - Staff worked with DTS representatives to update the combined EEO Program in accordance with FTA requirements and expectations. A new three-year update of the combined program was submitted by DTS to FTA in June 2015.

FY2017 Work Program

Agency Business Operations

HART functions as a semi-autonomous agency of the City & County of Honolulu government. During FY2017, HART will continue to use various City business systems and administrative practices as appropriate when conducting the agency's business activities. On an ongoing basis, HART will evaluate the extent to which it should develop its own business systems to improve efficiency and delivery of needed business services consistent with the agency's Mission as described in the previous section.

During FY2017, HART will continue to take steps to further develop the organizational capacity and capability to fulfill its Mission. Several of the actions that will be taken are designed to ensure that HART will maintain eligibility to receive Federal funding for the H RTP. A preliminary listing of the priorities and tasks that will be pursued in FY2017 is as follows:

- Recruit and hire key management, technical, and support staff to fill key vacancies as they occur or needs arise.
- Update the project's Financial Plan in mid-year FY2017 to reflect:
 - The costs of the Airport and Center City guideway and stations based upon the competitive proposals that are received and negotiated
 - Updated cost estimates of other project elements including utility relocations, property acquisitions and ongoing construction and systems contracts
 - Updated estimates of income sources including GET receipts
 - Final actions to issue short term debt to meet the project's cashflow needs as construction proceeds over the next five years or so.
- Monitor ongoing construction activities to control or reduce costs and insure schedules are being met and to insure work is being completed in accordance with contractual requirements, best safety and environmental practices and minimizes impacts on communities and businesses
- Maintain a management reporting system on key performance metrics and financial information including:
 - Continue to develop internal processes that will enhance the control over fiscal processes while increasing processing efficiencies.
 - Achieve zero findings in the Authority's annual audit, specifically addressing any deficiencies identified in previous audit reports.
 - Continue to build finance, accounting and internal controls capability.
 - Address audit findings or recommendations as described in the Financial Strategy, Plans and Budgets chapter.
- Continue emphasis on safety and security as top priorities during construction and ultimately during future operations.

- Council, state and federal officials, the Oahu Metropolitan Planning Organization Policy Committee and the general public to ensure transparency by providing a flow of information regarding the progress of the H RTP through electronic means, printed materials and the availability of HART staff. Submit the required annual report to the Governor and Legislature stemming from the extension of the GET
- Continue efforts to increase local business and DBE participation in the project.
- Continue the creation of an organizational structure and agency culture that will enable the fulfillment of the agency's Mission and Vision. This includes:
 - Provide ongoing staff training, employee develop and succession planning
 - Ensure that effective cost control measures are in place
 - Ensure that processes, policies and work practices are interpreted and applied consistently and effectively
 - Encourage internal communication, teamwork and collaboration across all functions and activities
- Continue to add and/or modify administrative procedures and practices that are specific to a transit agency in areas such as procurement and contract administration, safety and security, employee relations and development, management reporting and those needed in preparation for HART to become an operating agency.

H RTP Project Implementation

Project Description:

The scope of the H RTP has remained unchanged despite the increased cost to complete and the revenue shortfalls that came to light in FY2015. **Appendix C** hereto provides a summary description of the project along with background on the planning for the project. Completing the project description shown is essential in order for HART to comply with the terms of the Full Funding Grant Agreement (FFGA) executed by the City and the FTA.

FY2016 Project Implementation Work Activity:

- **Construction and Design** – During FY2017, HART expects to undertake the following work:
 - Completion of construction work, including track installation and the required safety certifications, on the western 10 miles of the rail alignment
 - Begin close-out of the initial DB contracts for the western 10 miles of guideway
 - Initiate closeout of ROC contract
 - Start construction on all 9 stations on the western portion of the alignment
 - Start construction on the H2R2 ramp
 - Start of final design development in the 3rd quarter by the Airport segment DB contractor for the guideway and stations in the segment

- Core Systems and Rail Equipment – During FY2017, the following activities are expected to occur:
 - Delivery of the 2nd 4-car trainset in the 1st quarter of FY2017
 - Completion of ROC systems installation and testing 1st quarter of FY2017
 - Start Train qualifications testing in 2nd quarter of FY2017
 - Complete power installation and testing from Waipahu to West Loch
 - Complete functional track systems installation for testing Waipahu to Ho’opili
 - Initiate Automatic Train Control testing in the second half of FY2017
 - Participate in safety certification elements of the first 10 miles of guideway
 - Participate in the fare collection system design process
- Fare Collection System – In order to meet the previously described schedule for starting up the new fare collection system in late FY2018, the contractor Init must provide a conceptual design for the system in July 2016 for review by HART and DTS. Init must then complete its final design for the system for review by the 3rd quarter of FY2017.

In order to inform the system final design, several key fare policy decisions will need to be made by the end of calendar year 2016. These include:

- A fare recovery policy for the rail system must be decided on
 - Fare levels and any discounts must be established
 - Any changes in fare products to be used by customers must be determined
 - A policy on how revenues will be split between the bus and rail systems must be decided
- Design Work – The only significant design work that will occur in FY2017 will be as part of the two DB contracts for the eastern sections of the project guideway.
 - Consulting Contracts – Consulting contracts will be continuing for various design, engineering, construction management and inspection services; and for support in various areas including real estate, cultural resource monitoring, safety and security and oversight of the core systems and equipment contract. During FY2017, a new solicitation for Program Management Support Consultant (PMSC) services will be undertaken.
 - Utilities – During FY2017, the following key activities will occur:
 - Determination of whether any power lines along Farrington and Kamehameha Highways will need to be relocated based upon the results of the test of the special bucket trucks HART has arranged for HECO.
 - Airport segment relocations will continue until such time as the DB contractor that is selected is able to mobilize on site to complete any remaining work that is needed.
 - A final agreement between HART and HECO on the plan for sequencing undergrounding the power lines along Dillingham Blvd. as related to construction of the aerial guideway thru this stretch of roadway.
 - During the second half of FY2017, HART will work with the City, affected utilities and the DB contractor selected to build the Center City Guideway and stations on how utility work will be accomplished.

- Property Acquisition and Third Party Agreements – The objective for FY2017 is to obtain 100 percent site access for identified right of way needs for the contractor including intergovernmental agreements with various government agencies for access and use of real property under their jurisdiction for the Project. Final disposition of property acquisition transactions will extend beyond 2017, which may include quit claim deeds, permanent disposition through intergovernmental agreements, long-term easements, orders of possession through eminent domain, or other real property instruments that convey site control for the life of the Project. Similar work will be pursued for design changes that require additional, yet unidentified right of way, and for utility easements outside of the right-of-way which are currently being identified. Additional support services will be procured as needed to assist in these transactions.

Note: Risks to advancing the planned construction work described earlier include any delays in utility relocations and delays in acquisition of needed parcels of property as well as contractor difficulty in obtaining needed permits, materials, labor and other resources needed for their particular contract; and challenges in resolving interface issues between contractors.

- Planning & Permitting- During FY2017, activities will include:
 - Monitoring of construction to identify the presence of *iwi kupuna*.
 - Continued coordination and consultations with stakeholders and project partners on AIS and Programmatic Agreement matters.
 - Obtaining all needed permits for the Airport and City Center sections.
 - Monitoring for permit compliance and any renewals required.
 - Work on station naming with the community advisory committee.
 - Support for Board deliberations on possible changes to the project scope and on whether to initiate planning for future extensions of the rail line.
- Contracting – Procurement and contract administration activities planned for FY2017 are described in the Procurement and Contract Administration sections found later in this chapter.
- Pearl Highlands Parking Garage – A determination on how to proceed with this project element will be made in the 1st quarter of the fiscal year following the results of the solicitation to explore whether the garage could be built as part of a P3 to create a TOD at the Pearl Highlands Station designed to both save HART money and achieve the level of customer parking envisioned for the rail line in the project EIS and the FFGA. It should be noted again that at present the full cost of HART building the Garage is included in the current cost estimate to complete the project.
- Project Labor Agreements (PLAs) – HART and its PLA contractor Solis Group will work with both labor and contractor interests to ensure that the HARTP retains labor stability in the years ahead as the project moves toward completion.
- Safety and Security - Planned activities include:
 - Continued design reviews and pre-safety certification activities.

- Final safety certification of the ROC (MSF) and the issuance of a certificate of occupancy permit.
 - Involvement in the testing of the first railcars.
 - Preparation of a new System Safety and Security Plan which AHJV is responsible for and HART must approve for submittal to the HDOT oversight consultant and the FTA.
 - Beginning safety certifications and the issuance of occupancy permits for completed portions of the guideway and related facilities.
 - Conduct of additional TVA's for the project.
 - Conduct of the first formal emergency preparedness drills using both table top exercises and field drills at the sections of the guideway in place on the western end of the alignment.
 - Additional training for emergency responders including military interests and TSA.
 - Board adoption of a plan for how the rail system will be policed and what the role of private security firms might be.
 - Continued implementation of the Owners Controlled Insurance Program (OCIP).
- Planning for Operations – During FY2017, planning and decision-making for the start of rail operations in 2018 will continue. Specific activities planned include:
 - Operations Management – Recruit an Assistant Director and an experienced maintenance person to oversee AHJV operations planning activities. This will include working with AHJV on their staffing plans particularly in maintenance areas and on operating policies and protocols.
 - Fare Policy – Providing support to policy makers for final adoption by the mid-year of a Fare Policy for the rail system including farebox recovery requirements; fare structure elements including fare levels and discounts, types of fare media and how revenues collected by the joint bus-rail fare system will be split between rail and bus operations.
 - Service Integration – Continue work on bus – rail service plans in conjunction with DTS and its transit management contractor OTS for coordinated bus services in anticipation of the start both interim and ultimately full rail operations
 - Maintenance and Support Functions – Plans for how various ongoing operating functions will be handled including: an integrated customer service function for both bus and rail services, facilities maintenance including station maintenance and repairs and guideway structural inspections and repairs.
 - Maintenance Management Information System – Work will continue on development and populating of the MMIS for the rail operation and how it will interface with all other rail-related systems
 - Administration – Finalization of plans to combine or integrate administrative and other functions between HART and DTS/OTS to improve cost efficiency and effectiveness in delivering quality public transportation services. (Note: These efforts will be informed by possible Charter amendments approved by the voters that may involve responsibility for rail operations in the future.)

- Art-In-Transit Program – Activity planned for FY2017 includes:
 - During the 1st and 2nd quarters, complete negotiations with the artists for the remaining 7 stations on the westside of the rail alignment.
 - During the 1st quarter undertake negotiations with the artists for the 4 Airport segment stations and complete them in time for the start of final design work by the contractor selected for the Airport DB contract.
 - During the second half of FY2017, begin negotiations with the artists for 8 stations in the City Center segment of the rail alignment.

Land Use Connection: TOD

Federal, State, and City policy direction to concentrate growth around transit stations is designed to achieve several public policy goals and support greater utilization of the public transit system. It will also enhance the value of real property adjacent to transit stations and create attractive investment opportunities for the private sector while facilitating local economic development and affordable housing goals and redevelopment efforts.

Under the City’s Charter, HART is authorized “to promote, create and assist TOD projects near fixed guideway system stations that promote transit ridership, and are consistent with the intent of the adopted community plans and zoning.” In addition, the HART Executive Director is to “administer programs promoting appropriate developments near transit stations, including compilation of city incentive programs,” and “review development projects having significant impact on the operation of the fixed guideway system.”

With the exception of areas under the authority of the Hawaii Community Development Authority (HCDA), the City controls planning and permitting for all of the land along the 20-mile corridor. State owned land makes up the majority of landholdings within half mile of the 21 rail stations. Commercial, residential or mixed use development located on lands acquired for the Project require FTA approval for development. Coordination of these activities between the respective agencies is necessary to successfully leverage public and private investment in the corridor. Both the HCDA and the City are preparing TOD plans for the 21 transit station areas and investigating revisions to the land use regulatory requirements, which will provide the policy framework for private development. The responsibilities for station area TOD planning is as follows:

- The Civic Center and Kakaako Stations are within a state-designated Kakaako Community Development District (KCDD) which is under the jurisdiction of the HCDA. The State has approved for the Final TOD EIS for this area.
- The City and County of Honolulu Department of Planning and Permitting (DPP) is responsible for TOD plans for 19 of the 21 stations, which are outside of the state-designated KCDD.

In FY2017, HART TOD and land use planning staff will:

- Continue to provide technical support to DPP in its planning efforts on areas such as system description, modal connectivity, multi-modal station access, parking, safety and security and on the DPP effort to develop and gain approval of a City TOD Special District ordinance around station areas under City jurisdiction.
- Work with public and/or private owners of land within close proximity of each planned transit station to optimize ridership and accessibility.
- Work on identifying and creating development opportunities for parcels acquired by HART that could be made available for future TOD developments.

- Continue to work with various advisory groups composed of representatives from stakeholders such as the City, State and private development interests and various other organizations and groups, including the TOD groups organized by the State Legislature and facilitated by the State Office of Planning, and the Mayor's Subcabinet on TOD

Procurement and Contract Administration Plans

Procurement:

The Procurement section plans to update the agency's procurement policies and procedures during FY2017. In addition, Procurement will conduct routine operating budget procurements for needed services, equipment, and supplies to support the conduct of agency business operations.

On project implementation, Procurement will face major challenges in completing procurements of several construction contracts including the last two major contracts involving DB construction of the Airport and City Center guideways and station. These contracts and any other upcoming construction contracts represent risks because of the continued high level of construction on Oahu. Agency staff from several departments will work to ensure that all bids and proposals received are accurate, complete and devoid of unwarranted risk costs, all of which are of paramount importance. Design and construction contracts to be awarded or decided in FY2017 are shown in the following table:

FY2017 Quarter	Contract
First	<ul style="list-style-type: none"> • Airport Guideway and Stations Design-Build • Pearl Highlands P3 feasibility decision • Temporary Park-n-Ride Lot at UH-West Oahu
Second	<ul style="list-style-type: none"> • City Center Guideway & Stations Design-Build
Third	<ul style="list-style-type: none"> • Program Management Support Services recompile
Fourth	<ul style="list-style-type: none"> • Permanent Park-n-Ride Lots at E. Kapolei & UH-West Oahu

Contract Administration:

During FY2017, the Contract Administration group will work to achieve the following improvements:

- On Change Orders, strive for timelier processing of changes, particularly in the field, to address issues and avoid festering problems that could become bigger ones later. Also, formalize the issuance of a quarterly Change Order report.
- Strengthen cost-price analysis capabilities of the staff, particularly for post-award, and continue to grow the professionalism of the staff.
- Update policies and procedures for Contract Administration to reflect current roles and responsibilities and incorporate industry best practices.
- Work to address some process improvements in conjunction with other HART departments.

2017 EEO and DBE Programs:

In accordance with federal and state laws and requirements, HART maintains active programs to ensure equal employment opportunities and to foster the involvement of disadvantaged and small businesses in HART's business activities. The EEO Program is coordinated with DTS. DTS as the area's bus operator maintains its own FTA approved EEO Program. HART staff works with DTS to prepare a combined report for both the rail and DTS programs which DTS submits to the FTA for review and approval. The FTA had previously approved the combined EEO program for HART/DTS for a three year period which ended. FTA's review of the June 2015 submittal is pending at this time. During FY2017, HART will continue to work with DTS to address FTA requirements and any comments received on the latest combined EEO Program that was submitted to the FTA for approval.

HART manages its own DBE Program utilizing the State of Hawaii's Unified Certification Program to identify DBE firms and works with HDOT to reach out to these firms. HART has an FTA authorized 13% goal for DBE participation in the overall HRTF and does not set annual goals. Contract specific goals are established when or if appropriate. Program staff will be working with contractors who have not met their contract goals and will continue to work with HART's procurement and contract administration staffs on gaining increased DBE participation in the upcoming construction contracts and on previously awarded contracts whenever possible.

HART Organizational Development Strategy

History and Background

The initial planning and development of the H RTP was done by DTS. DTS managed the completion of the required planning, economic, engineering, and environmental studies needed to advance the project through the stages of the FTA's New Starts project development process including: analysis of alternatives; technology and alignment selection; conceptual and preliminary engineering (PE) work; the preparation of a FEIS; the development of an initial contracting strategy for building the project; and the procurement of the initial construction contracts for the Project.

The implementation of a large public works project like the H RTP is a complex undertaking involving planning, civil and systems engineering and operational and community relations expertise. The initial organizational strategy DTS employed was to maintain a relatively small staff and hire consultants to provide the expertise necessary to perform various aspects of the required work. The City project staff was supplemented by a PMSC that provided experienced and technically proficient personnel to fill key positions and roles in the project organization including professional, technical, managerial and other support services to initiate and complete the PE/EIS phase of the project and initiation of final design and construction. PMSC personnel essentially functioned as embedded staff assisting City employees in managing and overseeing the work.

DTS also retained the services of a General Engineering Consultant (GEC) to undertake the planning, economic, engineering, and environmental work that was required to advance the project through FTA's New Starts process. The GEC assisted DTS by preparing competitive procurement documents for the initial Design-Build (DB) contracts and the Core Systems Design-Build-Operate-Maintain (DBOM) contract.

Under this organizational strategy, the Project passed the critical milestone of completing the FEIS and obtained a Record of Decision (ROD) issued by the U.S. Department of Transportation in accordance with the National Environmental Policy Act (NEPA) and Hawaii State law. The issuance of the ROD resulted in FTA granting authority to begin property acquisition and undertake utility relocation work. DB contracts for initial phases of the project were awarded and construction work started on the initial phases.

In 2010, the voters of the City and County of Honolulu approved a Charter amendment that provided for the creation of HART to assume responsibility for implementing the H RTP and ultimately operating the rail line. HART came into existence on July 1, 2011. At that time, some DTS staff and the embedded PMSC staff were transitioned to become the core staff of the new agency. HART has utilized the basic components of the original DTS organizational strategy during its five years of existence. However, the agency's organizational strategy will be evolving as described in a later section of this chapter.

FTA Requirements

Because the H RTP is funded in part with federal dollars through the FTA, HART must demonstrate that it meets FTA requirements for grantees pursuing a major investment project

like the H RTP. Principal among these requirements is that the grantee must exhibit the “technical capacity and capability to efficiently and effectively” carry out the project. The FTA conducts an ongoing assessment of a grantee’s technical and financial capacity and capability by looking at a number of things including the following:

- Organizational structure.
- Staff qualifications and experience.
- Roles, responsibilities, and interfaces among key project team members laid out in a responsibility matrix.
- Staffing plan showing labor distribution over the life of a project.
- Copies of various key procurement documents.
- Description of management processes and procedures including the division of decision-making authority between the BOD and management staff; financial and procurement policies and procedures; and community outreach and relations efforts.
- Resumes of senior project team members.

The above information is embodied in a Project Management Plan (PMP). The PMP is periodically updated as a project moves through the various stages of project development. With each successive update of the PMP, the expectations for the technical capacity and capability of the grantee increases. In other words, the grantee must demonstrate a growing capacity and capability to match the increasing scope, complexity, and magnitude of the work to be performed in the next project phase in order to receive FTA approval to proceed. Ensuring that HART will meet the FTA’s technical capacity and capability requirements is a major factor in the formulation of the organizational development strategy embodied in the PMP and described herein.

The FTA employs the services of a Project Management Oversight Contractor (PMOC) to monitor HART’s activities and progress on implementing the H RTP. The PMOC also conducts an ongoing assessment of HART’s technical capacity and capabilities. These ongoing monitoring and assessment activities include monthly reports issued by HART and monthly meetings between HART staff and PMOC representatives. In addition, quarterly meetings between representatives of the FTA’s regional office in San Francisco and HART management and technical staff are held to report on Project progress and challenges and to address any issues that develop as the Project moves toward completion. These ongoing activities amount to a significant level of independent oversight of HART and its work implementing the H RTP.



HART Organization

Work on the Project is now in the final phases of FTA's New Starts process. Work continues on property acquisitions and owner/tenant relocations, utility relocation and any remaining design work. Construction work on the western section of the Project alignment has been underway for some time.

The organizational approach embodied in the PMP for the current phase of the Project requires a staff of 139 positions and continues the role of the PMSC but with a diminished number of positions serving as embedded staff for HART. **Appendix B** contains a series of organizational charts that depict the Authority's functional structure and show the placement of the positions that make up the proposed FY2016 HART staff. Of these positions, 15 or roughly 11% of them are expected to be PMSC provided staff.

Consultant Roles:

The GEC's role has evolved to reflect the evolution status of final design and construction work. The GEC will provide procurement and engineering support and provide technical studies and management support for implementation of the Section 106 Programmatic Agreement Mitigation Support for the ROD. Construction management services and oversight will be provided by two separate Construction Engineering and Inspection (CE&I) consultants for roughly one half of the alignment each. A separate contractor will provide oversight of the Core Systems Contract. These three contractors will perform quality assurance inspections of all contractor activities; reviews of contract document submittals including shop drawings and specifications; reviews of contractor invoices; reviews of requests for information; reviews of requests for changes and change order estimates; conduct inspections; and do value engineering.

The services of engineering design consultants (EDCs) were utilized to develop final detailed designs of the certain project elements. This has not included several DB contracts or the Core Systems and vehicles contract since final design is a function within the scope of those contracts. The EDCs did prepare final designs for the 9 stations on the western section of the alignment, preliminary designs for the 12 stations on the eastern half of the alignment and for various fixed facilities.

Future Organizational Development

At present and for the next five years, HART will be a project development agency with no daily operating or service delivery responsibilities. This, of course, will change as the rail transit project gets completed and actual passenger service begins operating initially in 2019 with full service along the entire alignment starting in 2022. The staffing needs and business systems needs of the agency will evolve over time as the change from project development to operations and service delivery occurs. How well this transformation is accomplished will be important to the success HART has on accomplishing its Mission and Vision. The strategy for managing this evolution is outlined below:

- Phase out use of PMSC and build HART staff capability.
 - Identify those positions that HART will need long term for operations and the planning of extensions and seek to fill these positions with direct hires.

- Examples: Chief Operating Officer, Chief Engineer, Internal Audit, Marketing, Planning, Property Management.
- Use PMSC to temporarily fill such roles when recruitment for a City employee is unsuccessful or cannot be completed in a timely fashion.
- PMSC employees will mentor and help train HART staff and new hires; this may require some overlapping of positions.
- Utilize the services of the City's Department of Human Resources for assistance on organizational development including a classification and compensation structure, and recruitment and employee development strategies.
- Current PMSC contract expires in 2017. A procurement of a new PMSC contract will be undertaken during FY2017.
- GEC, CE&I consultants and a few EDCs will continue their roles/scope until the project construction, system integration and testing, and start-up work is completed.
- Develop internal business processes and systems that fit the needs of the transit system.
- Develop a seamless, integrated multi-modal (bus and rail) transit system.
 - Engage in joint planning with DTS and its Transit management contractor OTS for reconfiguration of the bus system to complement rail.
 - Implement the joint bus-rail fare collection system (hardware, software and support systems) along with plans for system maintenance and a revenue processing set-up to reduce interface problems and achieve economy of scale cost savings.
 - Establish plans for how marketing, customer information and relations activities will be handled for the expanded bus and rail transit system.

Future issues that will need to be addressed:

- ✓ Fare policy details for the integrated rail and bus system including fare levels and farebox recovery requirements.
- ✓ The sources of ongoing funding for operating and maintenance expenses of the transit system not covered by fare revenues.
- ✓ Identify opportunities for advertising, concessions, leases and rents, and possible joint use of transit facilities and assets to generate additional streams of operating income.
- ✓ Development of operating policies and rules and the identification of any implications for project design and the operating and capital improvement budget.
- ✓ Plans for maintenance of elements of the rail line that are not covered by the Core Systems contract operating component.
- ✓ Staffing and management information systems needed to oversee the operational, safety, maintenance and customer service performance of the rail line by the Core Systems contractor AHJV.
- ✓ Plans for providing security on the rail line and the costs thereof.

Consultant Roles:

The GEC's role has evolved to reflect the evolution status of final design and construction work. The GEC will provide procurement and engineering support and provide technical

studies and management support for implementation of the Section 106 Programmatic Agreement Mitigation Support for the ROD. Construction management services and oversight will be provided by two separate Construction Engineering and Inspection (CE&I) consultants for roughly one half of the alignment each. A separate contractor will provide oversight of the Core Systems Contract. These three contractors will perform quality assurance inspections of all contractor activities; reviews of contract document submittals including shop drawings and specifications; reviews of contractor invoices; reviews of requests for information; reviews of requests for changes and change order estimates; conduct inspections; and do value engineering.

The services of engineering design consultants (EDCs) were utilized to develop detailed designs of the certain project elements. This has not included several DB contracts or the Core Systems and vehicles contract since final design is a function within the scope of those contracts. The EDCs did prepare final designs for the 9 stations on the western section of the alignment, preliminary designs for the 12 stations on the eastern half of the alignment and for various fixed facilities. Final designs for the 12 remaining stations will be done by the DB contractors selected for the eastern guideway segments.

HART Financial Strategy, Plans and Budgets

Financial Strategy Overview

HART maintains a detailed 20-year financial plan in accordance with the requirements of the FTA to receive federal funding for the HRTTP. The HART Financial Plan provides a summary of the capital costs and funding sources associated with both the HRTTP and the City's ongoing operating and capital needs for the existing public transportation system. It also includes a preliminary plan to fund the future operations and maintenance (O&M) costs associated with the rail line, TheBus, and TheHandi-Van services. The current HART Financial Plan was prepared in June 2012. The Financial Plan is will be updated via a Risk Refresh with the FTA to be completed in the August/September timeframe with the complete update of the Plan completed between December 2016/January 2017.

The financial strategy reflected in the HART Financial Plan can be summarized as follows:

- Implementation of the HRTTP will be funded primarily by revenues from a one-half percent (0.5%) surcharge on the State's GET and grants from the federal government provided by the FTA. The 0.5% GET tax is currently set to expire on December 31, 2027.
- Short and medium term debt financing will be used to help manage cash flows during construction of the HRTTP. However, the Financial Plan assumes that all debt will be retired by the time the GET tax expires.
- Ongoing funding for operation of the integrated bus and rail public transportation will be provided through a combination of fare revenues from passengers and other operating income, City and County general funds, and some FTA grant programs.

Events during the past two years caused a reassessment of the above described financial strategy in light of the roughly \$1.4 billion increase in the project's estimated cost to complete and the estimated \$310 million reduction in project reviews. This revenue gap includes \$100 million in lower projected GET revenues and the withdrawal of \$210 million in federal capital grants the City expects to receive that were originally expected to be made available for the project. As noted earlier, this reassessment resulted in an effort in 2015 to gain state approval to extend the GET surcharge beyond the original 2022 termination date to 2027 to cover increased costs and the revenue shortfall.

The Financial Plan will be updated again mid-year in FY2017 to reflect the results from proposals for the remaining major construction contracts, the latest estimates of all project costs based upon then current trends in construction costs on Oahu and the final results from negotiations with HECO on utility relocations. The update will also reflect the latest projections of revenue sources especially the GET tax.

Appendix D contains a summary of revenues and expenses as shown in the approved HART 2012 Financial Plan for the HRTTP and for operating the City's integrated bus – rail public transportation system over the 20-year period covered by the Plan.

FY2017 Operating and Capital Expense Budgets

HART staff prepared and submitted preliminary FY2017 Operating and Capital Budgets to the HART BOD in September 2015. On December 1, 2015, the HART Executive Director/Chief Executive Officer transmitted the proposed FY2017 Budgets to the Mayor and the City Council. This section of the FY2017 Business Plan describes in summary form the proposed Operating and Capital Budgets. City Council requested further detailed information of the HART proposed budget during the spring of 2016, and will ultimately include the HART budgets in the City's budget bills anticipated to be approved before June 30, 2016. The HART Board is scheduled to discuss and adopt the FY2017 Operating and Capital budgets by June 30, 2016. The final version of the FY2017 Business Plan will reflect the final FY2017 Operating and Capital Budgets adopted by the HART BOD. The total budget request for FY2017 was as follows:

Operating Budget	\$ 31,380,800
Capital Improvements	<u>182,299,000</u>
Total FY2015 Budget Request	\$ 213,679,800

Appendix D includes a summary table which provides actual operating and capital expense historical information for FY2014-15 actual expenses, FY2016 budget and projected actual information, and the proposed FY2017 Operating and Capital Budgets which are described in more detail in the sections that follow.

FY2017 Operating Budget

The following table summarizes the FY2017 Operating Budget:

Expense Category	FY2016 Budget	FY2016 Projected	FY2017 Proposed
Personnel	\$14,019,000	\$12,912,448	\$14,577,200
Current Expenses	7,187,800	4,919,768	6,797,600
Equipment & software	6,000	17,625	6,000
Subtotals	\$21,212,800	\$17,849,842	\$21,480,800
Debt Service	8,000,000	619,339	10,000,000
TOTALS	\$29,212,800	\$18,469,181	\$31,480,800

The HART Operating Budget includes expenses for HART staff and administrative expenses (i.e. office and equipment rent and supplies, legal services, telecommunications and various administrative services). It also includes expenses related to the support HART receives from other City departments as well as a contribution to City overhead expenses. The HART Operating Budget has four major expense categories as shown in the table above. The table provides a breakdown of these cost components for FY2017 and a comparison against the budget and projected actual amounts for FY2016. The FY2016 projected amounts shown in the table are preliminary; there will be adjustments made through August 2016 to record payable amounts.

The Personnel category of the FY2017 Operating Budget includes funding for 139 full-time equivalent (FTE) positions, the same level since FY2013. As described in the Organizational Development Strategy section, the staffing level proposed is designed to ensure that HART has the technical capacity and capability to manage the implementation of the H RTP and meet the requirements of the FTA.

The following chart provides a summary breakdown of the number of positions included in the FY2017 staffing plan by major functional category. The chart also shows that the number of PMSC (labelled PMC in the chart below) provided staff will decrease by 1 position in Other Professional area. See **Appendix B** for detailed organizational charts.

Function	FY 2015 FTE Count	No. of PMC FTEs	2016 FTE Count	No. of PMC FTEs	Diff. in FTE Count	Diff. in PMC FTEs	2017 FTE Count	No. of PMC FTEs	Diff. in FTE Count	Diff. in PMC FTEs
Executive	10	4	10	2	2	-2	10	2	0	0
Project Control	13	2	13	2	0	0	13	2	0	0
Financial, Procurement & Contracts	23	3	23	1	0	-2	23	1	0	0
Planning, Utilities, & ROW,	22.9	1	22.9	0	0	-1	22.9	0	0	0
Engineering & Const. Mgmt.	41	9	41	9	0	0	41	9	0	0
Other Professional	18	5	18	2	0	-3	19	1	0	-1
Admin. Svcs.	11.1	0	11.1	0	0	0	11.1	0	0	0
Totals	139	24	139	16	0	-8	139	15	0	-1

The following table provides a breakdown of the reimbursements to other City departments included in the proposed FY2017 Budget under the Current Expenses line item:

City Department/Purpose	Amount
Corporation Counsel – Staff Salaries	\$633,400
Corporation Counsel – Current Expenses	40,300
Design & Construction – Staff Salaries	50,000
Budget & Financial Services – Staff Salaries	10,000
Fringe Benefits Associated with Above Salary Items	319,000
Adjustments	0
CASE – Central Administrative Services Expenditure	1,018,100
TOTAL	\$ 2,070,800

FY2017 Capital Budget

Construction activities currently underway and most of the construction contracts currently planned to be let just before or in FY2017 have been funded thru prior year HART Capital Budgets. Some of these funds must be re-appropriated for FY2017. The proposed FY2017 Capital Budget includes the additional funds required and is smaller than what was provided for in recent HART Capital Budget

requests. The following table provides a summary of planned FY2017 capital appropriations by major project budget component.

FY2017 Proposed Capital Program Contract Name	Proposed FY2017 Expenditure
Park-n-ride Lots Construction	\$7,351,000
Project-wide Elevator/Escalator Design-Furnish-Install-Operate	15,354,000
Westside Construction Engineering & Inspection (CE&I) Services	5,923,000
HDOT Coordination Consultant – W. Oahu/Farrington Section	750,000
HDOT Coordination Consultant – Kamehameha Section	1,000,000
HDOT Coordination Consultant – Airport Section	2,000,000
HDOT State Safety Oversight Agency (SOA) Consultant	591,000
Kako'o Consultant	400,000
On-Call Contractor 2	1,000,000
Owner-Controlled Insurance Program (OCIP) Broker + Insurance	8,000,000
Core Systems Contract Oversight Consultant	8,770,000
Safety & Security Certification Consultant	800,000
LEED Commissioning Services for MSF	15,000
Programmatic Agreement – Humanities Program	110,000
Programmatic Agreement – HPC Park Improvements	113,000
Contracts Total	\$52,177,000
Project Contingency	70,000,000
Unallocated Contingency	60,122,000
Contingency Total	\$130,122,000
GRAND TOTAL	\$182,299,000

Debt Financing

Over the next several years HART's expenditure level on construction and other project implementation activities will ramp up significantly. Cash payouts to contractors will exceed available cash and new receipts from both the GET and FTA reimbursements under the FFGA. Consequently, it will be necessary for the City & County of Honolulu to issue short term debt to help meet the project's cashflow needs. This occurrence was anticipated in the HART Financial Plan and is consistent with the financial strategy described earlier in this section. HART expects to begin issuing this debt using short term 270-day commercial paper to address cashflow needs starting in the 1st quarter of FY2017. Experience with GET receipts and drawdowns of federal funds under the FFGA along with the results from the procurement of the two remaining guideway contracts and the resolution of outstanding utility relocation issues with HECO will inform the planned update of the HART Financial Plan that is expected to occur midway thru FY2017. This update will determine if or when it might be necessary to issue 7-10 year bonds to meet cash needs for completion of the project.

Audit Reports Follow-up

Several actions are being taken to follow-up and address findings and recommendations from the Annual Financial Audit and the City Auditor's report on HART. These include:

- Davis-Bacon contractor reporting – a corrective action plan has been put in place to insure the timeliness and completeness of contractor payroll submittals. A staff person assigned to monitor payroll submittals from both prime contractors and subcontractors.
- Contract administration – Several actions are being taken including:
 - Contract administration training for project managers
 - Re-alignment of on-site construction oversight between consultant resident engineer's and HART project managers.
 - Contract administration procedures will be updated and will clarify roles and responsibilities.
- Contractor Progress Payments – The procedure will be updated and a contractor invoice procedure will be prepared to standardize the invoice payment process.
- Operations and Maintenance – A highly qualified Director with automated guideway experience has been hired and a deputy director position will be added. In addition the Operations and Maintenance Plan has been updated and is under review by the PMOC. It will likely be necessary to update the Plan again after Fare Policy decisions are made in FY2017 and should there be further changes to the schedule for the start of operations or other operational characteristics or responsibilities..

Project Risk Factors

Any public works project is subject to a variety of risks that can impact its schedule and budget. The H RTP is subject to such risks some of which are amplified because of Honolulu's geographic location far from the U.S. Mainland. Managing and protecting against risk factors is important to insure the successful completion of the H RTP. The project has the following risks that are not within HART's direct control but could impact both the project schedule and budget performance. Several of these risk factors did impact the project during FY2016 and are likely to continue to be present in FY2017 and beyond. They include the following:

- The significant level of construction currently on Oahu may continue to impact the availability of skilled labor and the pricing of materials such as steel, copper and concrete
- The current level of construction and Oahu's remoteness from the mainland may impact the amount of competition that HART for upcoming construction contracts
- Delays in utility relocations and/or property acquisitions that delay construction work and cause contractor delay claims
- Complications that might arise in completing construction work on the remaining portions of the project's alignment such as unforeseen site conditions and any extraordinary efforts required to mitigate construction impacts
- The possibility of interest rate increases that could impact any debt service payments
- GET surcharge revenue receipts continuing to come in below the assumed rate of growth
- The important thing is to recognize the existence of these risks and to take steps to minimize or protect against potential impacts to the maximum extent possible while carrying out the implementation of the H RTP.

Appendix A
HART Balanced Scorecard

DRAFT

BALANCED SCORECARD

Project Implementation/Pre-Revenue Operation

							Comments and Legend		
							On track or ahead of plan.	Immediate attention needed; Requires recovery/resolution.	
							Monitoring.	No current target/activity to date; Action pending.	
							Monitoring; Requires special attention.	N/A Not Applicable.	TBD To be determined.
							New Balanced Scorecard items are shaded in blue for ease of identification.	Status color changes are shaded in yellow.	
Activity		Time Period	Actual	Plan	Variance	Status			
For Project Finances, reporting will be based on Current Quarter, Fiscal Year, FFGA Financial Plan and Inception to Date data as appropriate.									
Financials	Project Finances								
	Operating Budget (Negative = below Plan)								
	Operating Expenditures	Current Quarter (Q2 FY16) Oct., Nov., Dec. 2015	\$4.6	\$5.3	(\$0.7)		For Current Quarter monitoring purposes: \$21.2M FY16 Total Budget (before debt svc.)/4 quarters = \$5.3M. The Plan number for Inception to Date = the FY12 to Q2 FY16 budgets + actual expenditures for fiscal years 2007 through 2011. The Plan number for the Financial Plan = the FY12 to Q2 FY16 budgets + actual expenditures for Oct. 16, 2009 through FY11. *Inception is from January 2007 when GET surcharge revenue, interest revenue and expenditures were first reported in the City's FY2007 Comprehensive Annual Financial Report (CAFR) in the Transit Fund which also includes expenditures for other City Departments (e.g., DPP for TOD expenditures, BFS and City Council which were paid with GET surcharge revenues).		
		FY2016 Total July 2015 - December 2015	\$7.8	\$10.6	(\$2.8)				
		FFGA Financial Plan Oct. 16, 2009 - December 2015	\$83.8	\$107.6	(\$23.8)				
		Inception* to Date Jan. 2007 - December 2015	\$87.7	\$111.6	(\$23.8)				
	Capital Budget (Negative = below Plan)								
	Capital Expenditures	Current Quarter (Q2 FY16) Oct., Nov., Dec. 2015	\$146.5	\$177.6	(\$31.1)		Plan amounts are per the Full Funding Grant Agreement Financial Plan. *Inception is from January 2007 when GET surcharge revenue, interest revenue and expenditures were first reported in the City's FY2007 Comprehensive Annual Financial Report (CAFR) in the Transit Fund. The Plan numbers for Inception to Date = the Plan amounts from 10/16/2009 to 12/31/2015 + actual expenditures for fiscal year 2007 through 10/15/2009. The expenditures for fiscal years 2007 to 2011 were reconciled to the expenditures reported in the Transit Fund included in the City's CAFR report. The "Current Quarter" and "FY16 Total" actual amounts are on a cash basis. All audit adjustments for the previous years are now reflected in the "FFGA Financial Plan" and "Inception to Date" actual amounts. Actual expenditure amounts continue to be below plan due to contractor work lagging, slow station construction starts, and schedule of milestones billing. The Master Project Schedule was presented to the Board in October and in November. Key remaining bid packages are Kamehameha Highway Stations Group (bid, awarded, award under protest), and the Airport and City Center Design-Build packages, both of which are under procurement.		
		FY2016 Total July 2015 - December 2015	\$287.5	\$364.6	(\$77.1)				
		FFGA Financial Plan Oct. 16, 2009 - December 2015	\$1,829.3	\$3,411.7	(\$1,582.3)				
		Inception* to Date Jan. 2007 - December 2015	\$1,912.9	\$3,495.2	(\$1,582.3)				
	Revenues (Negative = below Plan)								
	GET Collections								
	Net GET Surcharge Receipts	Current Quarter (Q2 FY16) Oct., Nov., Dec. 2015	\$64.8	\$56.5	+\$8.3		GET receipts are reported on a cash basis. The \$64.8M received in October 2015 is for the July-Sept 2015 quarter. The Current Quarter plan is based on annual reporting. \$3,291M = Total Net GET Surcharge revenue forecast for FYs 2010-2023. Actual amounts from inception are the collections from January 2007 to 10/31/2015. The \$1,617.0M Plan amount is equal to the Financial Plan amount of \$1,238.6M from the Project Start date of 10/16/2009 to 10/31/2015 plus \$378.4M collected prior to the Project Start Date. GET surcharge revenue collected prior to Oct. 16, 2009 is included in the Financial Plan as beginning cash balance of \$298M (actual GET collections of \$378M before Oct. 16, 2009, less expenditures of \$80M during that same period). *Inception is from January 2007 when GET surcharge revenue, interest revenue and expenditures were first reported in the City's FY2007 Comprehensive Annual Financial Report (CAFR) in the Transit Fund. Status for the Current Quarter and FY2016 Total have changed from yellow to green.		
		FY2016 Total July 2015 - December 2015	\$117.2	\$117.2	(\$0.0)				
		FFGA Financial Plan Oct. 16, 2009 - December 2015	\$1,208.0	\$1,238.6	(\$30.5)				
		Inception* to Date Jan. 2007 - December 2015	\$1,586.4	\$1,617.0	(\$30.5)				
	Federal Grants								
	Federal Grant Funds New Starts \$5309 (Reimbursed)	Current Quarter (Q2 FY16) Oct., Nov., Dec. 2015	\$42.3	\$0	+\$42.3		Forecasted FTA Uses by fiscal years, per HART's 6/2012 Financial Plan, are FY2011 \$21M; FY2012 \$99M; FY2013 \$258M, FY2014 \$442M, FY2015 \$250M, Q1 FY2016 \$0, Q2 FY2016 \$0; Total \$1,070M. The variance for FFGA Financial Plan indicates the prior fiscal years' appropriated amounts not yet used.		
		FY2016 Total July 2015 - December 2015	\$77.7	\$0	+\$77.7				
		FFGA Financial Plan Oct. 16, 2009 - December 2015	\$489.3	\$1,070.0	(\$580.7)				
	Federal Grant Funds \$5307 (Reimbursed)	Current Quarter (Q2 FY16) Oct., Nov., Dec. 2015	---	---	N/A		Total forecasted \$5307 funds per the FFGA financial plan is \$210M. This section will be removed after the FFGA financial plan has been updated.		
		FY2016 Total July 2015 - December 2015	---	---	N/A				
FFGA Financial Plan Oct. 16, 2009 - December 2015		---	---	N/A					

Activity	Current Quarter (Q2 FY16)				Inception to Date				Comments and Legend	
	October, November, December 2015				January 2007 - December 2015					
	Actual	Plan	Variance	Status	Actual	Plan	Variance	Status	On track or ahead of plan. Immediate attention needed; Requires recovery/resolution. Monitoring. No current target/activity to date; Action pending. Monitoring; Requires special attention. N/A Not Applicable. TBD To be determined. New Balanced Scorecard items are shaded in blue for ease of identification. Status color changes are shaded in yellow.	
For the remainder of the Balanced Scorecard, reporting will be based on Current Quarter and Inception to Date data.										
25	Project Budget									
26	FFGA Baseline Project Budget	N/A	N/A	N/A		\$5,122	\$5,122	N/A		\$M FFGA Baseline Project Budget (including contingencies and FTA-eligible finance charges), in accordance with FTA New Starts project guidelines.
27	Committed (\$)	\$6	—	—		\$3,154	\$4,461	(\$1,307)		\$M Total Committed (awarded Contract Values + approved Change Orders) this quarter and to date vs. the current Total FFGA Project Budget, excluding remaining contingencies and finance charges. Contract awards have been shifted to future years due to AIS delays and the repackaging of contracts. A new baseline budget and Master Project Schedule is being developed.
28	Committed (%)	0.1%	—	—		70.7%	—	N/A		% \$M Committed of the Inception to Date current Plan FFGA Project Budget, excluding contingencies and finance charges.
29	Incurred (\$M)	\$157	—	—		\$1,884	\$4,461	(\$2,577)		\$M Incurred (Expenditures + approved Requests for Payment) this quarter and to date vs. the current Total FFGA Project Budget, excluding remaining contingencies and finance charges. The plan is based on the original program cost curve issued in 2009 and is projected to be rebaselined in 2016.
30	Incurred (%)	4%	—	—		42%	—	—		% \$M Incurred (Expenditures + approved Requests for Payment) of the Inception to Date current Plan FFGA Project Budget, excluding contingencies and finance charges.
31	Estimate at Completion (EAC)	N/A	N/A	N/A		\$6,479	\$5,122	N/A		\$M current forecasted vs. original Estimate at Completion (EAC = contract values as budgeted or awarded + executed change orders + pending and potential changes). Forecast includes revised cost estimates presented at the Oct. 15, 2015 HART Board of Directors meeting.
32	Contingency									
33	Allocated Cost Contingency	(\$4)	N/A	N/A		\$442	\$542	(\$100)		Current Quarter = Allocated Project Contingency debited or credited for the quarter, Inception to Date = Current Budget Allocated Project Contingency vs. the Baseline Budget Allocated Project Contingency. Revised cost estimates for future construction contracts includes additional contingency required for those contracts.
34	Unallocated Cost Contingency	(\$1)	N/A	N/A		\$46	\$102	(\$56)		Current Quarter = Unallocated Project Contingency debited or credited for the quarter, Inception to Date = Current Budget Unallocated Project Contingency vs. the Baseline Budget Unallocated Contingency. Revised cost estimates for future construction contracts includes additional contingency required for those contracts.
35	Total Project Cost Contingency = Allocated + Unallocated	(\$5)	N/A	N/A		\$487	\$644	(\$156)		See the HART Progress Report for more detailed information on contingency. Current Quarter = Total Project Contingency usage for the quarter, Inception to Date = Current Budget Project Contingency value vs. Baseline Budget Project Contingency. Revised cost estimates for future construction contracts includes additional contingency required for those contracts.
36	Schedule Contingency	0	N/A	N/A		0	20	(20)		Schedule contingency has been fully utilized due to delays in award caused by protests of several of the bids for recent construction packages and the new procurement strategy to go Design-Build on the east section of the guideway and stations. A revised Master Project Schedule is expected by June 2016. The target Full Opening is 4th quarter 2021, which was presented to the HART Board of Directors during the Oct. 15, 2015 HART Board meeting. Status for Current Quarter and Inception to Date have changed from orange to red.
37	PROJECT DELIVERY - OVERALL									
38	Overall Progress [Positive = ahead of Late Plan; Negative = behind Late Plan]*									
39	Overall Project Progress Completed	3.8%	6.4%	(2.6%)		43.0%	61.0%	(18.0%)		% Complete of Final Design and Construction contracts (FD, DBB-DBOM design levels-of-effort and DB, DBB, DBOM and E/E construction) actual vs. late plan. Revised project schedules for WDFH, MSF and KHG have been incorporated into the overall project progress curve and the interim opening will likely be 2018. HART has canceled the solicitation to build the first nine rail stations and HART has repackaged the original contract into three smaller bid packages. All three have been bid, and FHSG and WOSG have received Notices to Proceed. HART has also canceled the solicitation for the Airport-City Center Guideway and Utilities Construction Contract and has repackaged the Airport Section Guideway and Stations & City Center Guideway and Stations into Design-Build contracts and an advanced City Center Utility and Civil Work construction package.
40	Overall Design Progress Completed	0.7%	1.5%	(0.8%)		87.8%	98.2%	(10.4%)		% Complete of Final Design contracts & DB-DBOM design levels-of-effort actual vs. late plan. The design progress schedule has been rebaselined and the interim opening will likely be 2018. Due to bids coming in higher than HART had budgeted, HART has canceled the solicitation to build the first nine rail stations and repackaged that contract into three smaller contracts. Value Engineering and design modifications have been performed to improve on pricing.
41	Overall Construction Progress Completed	4.4%	6.8%	(2.4%)		35.1%	53.4%	(18.3%)		% Completion of Construction (DB, DBB, DBOM & E/E) contracts vs. planned. The construction progress schedule has been rebaselined and includes revised project schedules for WDFH, MSF and KHG DB contracts. HART has canceled the solicitation to build the first nine rail stations and HART has repackaged the original contract into three smaller contracts. The change will likely delay by one year the planned opening of the first ten miles of the rail system between Aloha Stadium and east Kapolei. HART has also canceled the solicitation for the Airport-City Center Guideway and Utilities Construction Contract and has repackaged the Airport Section Guideway and Stations & City Center Guideway and Stations into Design-Build contracts and an advanced City Center Utility and Civil Work construction package.

	Activity	Current Quarter (Q2 FY16)				Inception to Date				Comments and Legend		
		October, November, December 2015				January 2007 - December 2015				On track or ahead of plan.	Immediate attention needed; Requires recovery/resolution.	
		Actual	Plan	Variance	Status	Actual	Plan	Variance	Status	Monitoring.	No current target/activity to date; Action pending.	
										Monitoring; Requires special attention.	N/A Not Applicable.	TBD To be determined.
										New Balanced Scorecard items are shaded in blue for ease of identification.		Status color changes are shaded in yellow.
42	Overall Utility Progress Completed	5.8%	14.3%	(8.5%)		40.3%	73.0%	(32.7%)		% Completion of Utilities progress based on the weighted average progress of the Design-Build and Design-Bld-Build utilities level of effort. Status for the Current Quarter and Inception to Date are red as utility relocations are affecting construction progress. HART's CEO and staff are meeting with HECO's executive management on a bi-weekly basis to attempt to mitigate impacts to HART's construction efforts. Although the two agencies are working together, the impacts are now affecting both design and construction efforts.		
43	Contracts Awarded											
44	Total Number of Contracts Awarded	3	4	(1)		47	48	(1)		Contracts awarded: Fare Collection Technical Support, Programmatic Agreement 106 "ii," and Financial Services Small Purchase. The Kamehameha Highway Stations Group Contract was planned to be awarded this quarter, but has been delayed. For a full list of CPP contracts awarded, please see the HART Progress Report.		
45	Total Value of Contracts Awarded	\$1.42	\$136.50	(\$135.1)		\$3,519.22	\$3,471.22	+\$48.0		SM Awarded. The planned numbers for the Fare Collection Technical Support and Financial Services Small Purchase are based on the independent Cost Estimates. The planned number for the Kamehameha Highway Stations Group Contract is based on the February 2015 Contract Packaging Plan. The Programmatic Agreement 106 "ii" replaces the existing Kakoo Consultant and the plan number was derived by a budget transfer of \$277,800. The award and plan amounts include the operating and maintenance cost for the Core Systems DBOM and Elevators and Escalators DFIM Contracts.		
46	Change Orders											
47	Change Orders (#)	21	N/A	N/A		256	N/A	N/A		# Change Orders executed this quarter (6 Final Design, 13 Construction and 2 Professional Services).		
48	Change Orders (\$)	(\$17.0)	N/A	N/A		\$334.0	N/A	N/A		\$M Change Orders executed this quarter (\$0.3M Final Design, (\$18.4M) Construction and \$1M Professional Services). DBOM-920 (\$5.2M) credit for four Car Consists, and Util (\$23.2M) credit for multiple contract close-out.		
49	Claims											
50	Claims Filed	0	0	N/A		0	0	N/A		# Claims filed vs. anticipated.		
51	Claims Resolved	0	0	N/A		0	0	N/A		# Claims resolved vs. filed.		
52	Agreements*											
53	Utility Agreements - Engineering Services	0	0	-0-		28	28	0		*Inception to Date Plan numbers vary each quarter due to advancement of design. Inception to Date Plan = total number of agreements planned for the project WOFH - all 9 agreements executed. KHG - all 10 agreements executed. KHG/Airport/City Center - 1 agreement executed. Airport/City Center - all 8 agreements executed.		
54	Utility Agreements - Construction Agreement	0	7	(7)		17	24	(7)		Inception to Date Plan = total number of agreements planned for the project WOFH - all 7 agreements executed. KHG - 6 of 7 agreements executed. AT&T Gov now needed. Airport - 3 of the 4 planned are executed. City Center - 1 of the 5 planned are executed. The Q1 FY16 plan amount should have been 5. Airport/City Center - 0 of the 1 planned are executed.		
55	Total Utility Agreements	0	7	(7)		45	52	(7)		Inception to Date Plan = total number of agreements planned for the project WOFH - all 16 agreements executed. KHG - 16 agreements executed (17 agreements planned). KHG/Airport/City Center ESA - 1 agreement planned/executed. Airport/City Center ESA - all 8 agreements executed. Airport Construction - 3 agreements executed (4 agreements planned). City Center Construction- 1 agreement executed (5 agreements planned). Airport/City Center Construction - 0 agreement executed (1 agreement planned). The status is based on the potential for construction to be delayed.		
56	Other Utility Agreements/Memorandums of Understanding (MOU)	1	3	(2)		7	9	(2)		Inception to Date Plan = total number of currently identified MOU's/agreements planned for the project HECO Master Agreement - Executed HECO 95% Design MOU - Executed HECO ROE MOU - 1 of 1 Executed; 2nd for East is no longer needed. HECO Access MOU - Executed HECO Derrick Truck MOU - Executed HECO MSF Advanced Construction MOU - Executed HECO West Clearance MOU - Executed HECO Dillingham Materials MOU - Pending HECO Power Quality MOU - Pending The status is based on the potential for construction to be delayed; the remaining pending MOUs are expected to be executed in early 3Q FY16 and not cause construction delays.		

Activity		Current Quarter (Q2 FY16)				Inception to Date				Comments and Legend	
		October, November, December 2015				January 2007 - December 2015				On track or ahead of plan. Immediate attention needed; Requires recovery/resolution.	
		Actual	Plan	Variance	Status	Actual	Plan	Variance	Status	Monitoring. No current target/activity to date; Action pending.	
										Monitoring; Requires special attention. N/A Not Applicable. TBD To be determined.	
										New Balanced Scorecard items are shaded in blue for ease of identification. Status color changes are shaded in yellow.	
57	HDOT Master Agreements/Joint Use & Occupancy/Amendments/MOU	0	0	-0-	●	4	8	(4)	●	Inception to Date Plan = total number of agreements planned for the project WOFH and a combined Master Agreement for KHG, Airport and City Center sections are executed (2). KHG and WOFH JUOA - executed (2). Airport and City Center JUOA are being processed. WOFH JUOA and Master Agreement amendments pending, Betterment MOU pending. The status is based on the potential for construction to be delayed.	
58	Third-Party Agreements	1	2	(1)	●	12	21	(9)	●	Data is current as of Dec. 14, 2015. Inception to Date Plan is the total number of agreements planned for the project. Inception to Date Actual and Plan numbers may vary each quarter due to advancement of design. The actual numbers are based on "site control obtained." Properties for which HART has obtained site control means that the contractor shall have unrestricted access to the property no later than the NTP date. High priority agreements which could impact ongoing construction are in bold and in red . A master agreement and its ancillary agreements are counted as one entity. AGREEMENTS NEEDED FOR SITE CONTROL – YET TO BE OBTAINED WOFH, KHG, Airport, City Center: -City - Various parcels (DFM, DTS, BFS, DPR) KHG: -Aloha Stadium station park & ride Airport: -U.S. Post Office Honolulu Processing Center City Center: -UH-HCC (UH Honolulu Community College) -OCCC (Dept. of Public Safety) -GSA/Federal Court House -HCDA (Hawaii Community Development Authority) -DAGS (Dept. of Accounting & General Services) -DAGS/DBEDT/HHFDC AGREEMENTS WITH SITE CONTROL OBTAINED WOFH, KHG, Airport: -U.S. Navy Easement Agreements WOFH: -D.R. Horton -DLNR (Dept. of Land & Natural Resources) for Kapolei Park & Ride -DOE (Dept. of Education)/DLNR for Waipahu High School -DHHL (Dept. of Hawaiian Home Lands) for MSF -DPR (City Dept. of Parks & Recreation) for MSF drainage -UH-LCC (UH Leeward Community College) -UH-WO (UH - West O'ahu) KHG: -UH Urban Gardens -Aloha Stadium guideway AIRPORT: -DFM (City Dept. of Facility Maintenance) for Kamehameha Hwy/Makalapa Manor -DLNR (Dept. of Land & Natural Resources) for Keehi Lagoon	
59	Real Estate/Right-of-Way (ROW)										
60	Acquisitions*										
61	WOFH Full Acquisitions	0	0	-0-	●	14	14	-0-	●	Site control is obtained for all full acquisitions in the WOFH section.	
62	WOFH Partial Acquisitions	0	0	-0-	●	2	2	-0-	●	Site control is obtained for all partial acquisitions in the WOFH section.	
63	Summary WOFH Acquisitions (Full + Partial)	0	0	-0-	●	16	16	-0-	●	Site control is obtained for all parcels in the WOFH section.	
64	KHG Full Acquisitions	0	0	-0-	●	3	3	-0-	●	Site control is obtained for all full acquisitions in the KHG section.	
65	KHG Partial Acquisitions	0	1	(1)	●	3	4	(1)	●	Working to complete negotiations. The remaining parcel does not impact the construction schedule and there are no known issues that may prevent the acquisition at this time.	
66	Summary KHG Acquisitions (Full + Partial)	0	1	(1)	●	6	7	(1)	●		

	Activity	Current Quarter (Q2 FY16)				Inception to Date				Comments and Legend	
		October, November, December 2015				January 2007 - December 2015				On track or ahead of plan. Immediate attention needed; Requires recovery/resolution. Monitoring. No current target/activity to date; Action pending. Monitoring; Requires special attention. N/A Not Applicable. TBD To be determined.	
		Actual	Plan	Variance	Status	Actual	Plan	Variance	Status	New Balanced Scorecard items are shaded in blue for ease of identification. Status color changes are shaded in yellow.	
67	Airport Full Acquisitions	0	0	-0-		5	5	-0-		Site control is obtained for all full acquisitions in the Airport section. However, status is orange due to an issue with one of the parcels whose signatory's authority to execute a ROE is in question. Construction is not impacted, as this parcel is in the roadway. The status for Inception to Date is orange due to continuing negotiations and ongoing relocation activity.	
68	Airport Partial Acquisitions	1	2	(1)		2	4	(2)		Outstanding partial acquisitions are in escrow. HART will work to obtain site control to ensure construction site access. Status for the Current Quarter and Inception to Date are orange due to project schedule and extended negotiations.	
69	Summary Airport Acquisitions (Full + Partial)	1	2	(1)		7	9	(2)			
70	City Center Full Acquisitions	0	0	-0-		16	16	-0-		Site control is obtained for all full acquisitions in the City Center section.	
71	City Center Partial Acquisitions	4	19	(15)		11	67	(56)		Appraising properties and tendering of offers are nearly completed. While we have received eminent domain approval for some of the parcels, HART is striving to reach an agreement with each owner to obtain site control and ensure construction site access. Status for the Current Quarter and Inception to Date are orange because the deadline for completion of acquisitions has changed due to design and construction timeline adjustments. HART is working with design and construction on the availability dates for the remaining parcels, as well as is working through alternatives to address the few properties that will not be available by the NTP date.	
72	Summary City Center Acquisitions (Full + Partial)	4	19	(15)		27	83	(56)		Status for the Current Quarter and Inception to Date are orange because the deadline for completion of acquisitions has changed due to design and construction timeline adjustments.	
73	Expenditures for Acquisitions	N/A	N/A	N/A		\$76.9	\$87.3	\$10.4		\$M in expenditures.	
74	Easements*									*Data is current as of Dec. 31, 2015. Inception to Date Plan numbers are the total number needed for the project. Inception to Date Actual and Plan numbers may vary each quarter due to advancement of design. The actual numbers are based on "site control obtained." Properties for which HART has obtained site control means that the contractor shall have unrestricted access to the property no later than the NTP date. Data is provided by the Real Estate Acquisition Database (READ)	
75	WOFH Easements	0	0	-0-		2	2	-0-		Status for the Current Quarter and Inception to Date have changed from orange to green because site control has been obtained for all non-government easements in the WOFH section.	
76	KHG Easements	0	0	-0-		0	0	-0-		There are no non-government easements in the KHG section.	
77	Airport Easements	1	7	(6)		1	7	(6)		Appraising properties and tendering of offers are completed. While HART has received eminent domain approval, HART is striving to reach an agreement with each owner to obtain site control and ensure construction site access. TMK 1-2-013-020 and TMK 1-2-013-021 still have significant issues to resolve, but the remaining easements are moving forward. Status for the Current Quarter and Inception to Date are orange because the deadline for completion of easements has changed due to design and construction timeline adjustments.	
78	City Center Easements	0	15	(15)		0	22	(22)		While HART has received eminent domain approval, HART is striving to reach an agreement with each owner to obtain site control and ensure construction site access. There may be complex issues with one owner who oversees 15 parcels. Status for the Current Quarter and Inception to Date are orange because the deadline for completion of easements has changed due to design and construction timeline adjustments.	
79	Summary Easements	1	22	(21)		3	31	(28)		Status for the Current Quarter and Inception to Date are orange because overall risks for all easements are being carefully monitored and there is no threat to the construction schedule.	
80	Safety										
81	HART OSHA Reportable Injuries	0	0	-0-		0	0	-0-		HART # Occupational Safety and Health Agency (OSHA) Reportable Injuries to date. Reportable incidents, requiring OSHA to be notified within 8 hours, include the death of an employee or hospitalization of three or more employees. For additional information on recordable incidents, please see the HART Progress Report.	
82	Contractor OSHA Reportable Injuries	0	0	-0-		0	0	-0-		Contractor's # Occupational Safety and Health Agency (OSHA) Reportable Injuries to date. Reportable incidents, requiring OSHA to be notified within 8 hours, include the death of an employee or hospitalization of three or more employees. For additional information on recordable incidents, please see the HART Progress Report.	
83	Quality Assurance (QA)										
84	Completion of QA Audits	6	6	-0-		89	74	+15		# QA Audits of HART, consultants, contractors and suppliers completed vs. planned. Buy America Audits and Environmental Audits are included.	
85	Successful Closure of Design/Audit NCRs	3	4	(1)		36	37	(1)		# HART issued Audit/Design Non-Conformance Reports (NCRs) closed vs. issued. For more information on NCRs, please see the HART Progress Report. Status for the Current Quarter and Inception to Date have changed from green to yellow.	
86	Successful Closure of Construction NCRs	133	144	(11)		780	874	(94)		# Construction NCRs closed vs. issued. For more information on NCRs, please see the HART Progress Report. Status for the Current Quarter has changed from green to yellow.	
87	Economic Multipliers [Negative = below plan]										
88	DBE Participation (%)	0.21%	0.13%	+0.08%		1.79%	13%	(11.21%)		% actual vs. target participation rate of Disadvantaged Business Enterprises (DBE) to date since Sept. 24, 2007. The planned DBE participation rate is an overall project goal.	
89	DBE Participation (\$)	\$3.68	\$2.29	+\$1.39		\$31.56	\$229	(\$197.44)		\$M actual vs. target participation of DBE to date since Sept. 24, 2007. The planned DBE participation rate is an overall project goal.	

Activity		Current Quarter (Q2 FY16)				Inception to Date				Comments and Legend	
		October, November, December 2015				January 2007 - December 2015				<div>● On track or ahead of plan. ● Monitoring. ● Monitoring; Requires special attention. N/A Not Applicable. TBD To be determined.</div> <div>● Immediate attention needed; Requires recovery/resolution. ● No current target/activity to date; Action pending.</div> <div>■ New Balanced Scorecard items are shaded in blue for ease of identification. ■ Status color changes are shaded in yellow.</div>	
		Actual	Plan	Variance	Status	Actual	Plan	Variance	Status		
90	Workforce Development:	PERSONNEL									
91		HART Staffing Level	8	0	+8	●	132	139	(7)	●	# Current HART Full-Time Equivalents (FTEs) vs. planned positions in the FY16 Operating Budget. There are 132 FTEs onboard as of Dec. 31, 2015. This includes 111 City employees and 21 Project Management Support Consultant (PMSC) employees. The actual number reported in "Current Quarter" reflects all new hires as well as departures and internal fills. The "Inception to Date" numbers reflect the total number of employees onboard as of Dec. 31, 2015. Please see the HART Progress Report, which lists detailed position fills.
92		Direct Project Jobs Created	—	—	—	○	1,559	—	—	○	# Direct project jobs created. Actual number reflects either input from contractors or agencies, or a calculated count based on invoices presented to HART.
93	Partnerships	Transit-Oriented Development (TOD) Planning*									*TOD planning is being overseen by the city Department of Planning and Permitting and the HCDA
94		City Department of Planning and Permitting Draft TOD Plans	0	0	N/A	●	10	14	N/A	●	City Department of Planning and Permitting (DPP) is responsible for TOD plans for 19 of the 21 stations. A total of 10 stations have Draft TOD neighborhood plans at this time. DPP started developing Draft TOD plans for the remaining 4 stations: Pearl Harbor Naval Base, Airport, Lagoon Drive and Aloha Stadium. The Ala Moana TOD plan is currently under public review. The Kalihi and Downtown Draft TOD plans were sent to City Council and are under review. The remaining Draft TOD plans will be sent to City Council for review and adoption during the first half of 2016. In the interim, the Legislature has adopted Bill 71 Land Use Ordinance (LUO) Amendment Relating to Interim Plan Development Permits for TOD, which will allow for negotiations on TOD projects as per the Draft TOD plans before zoning is in place.
95		Hawai'i Community Development Authority Draft TOD Overlay Plan	0	0	N/A	●	2	0	N/A	●	HCDA developed a Draft TOD Overlay Plan for the areas around Kaka'ako and Civic Center Stations. It will be finalized in the Kaka'ako Environmental Impact Statement. HART submitted comments to the Draft EIS for TOD in the Kaka'ako Community District on Feb. 20, 2015. The Governor accepted the HCDA Kaka'ako Community Development District (KCDD) TOD District Overlay Plan on Sept. 16, 2015. HCDA is currently drafting TOD rules to follow the provisions of Hawaii Revised Statutes ("HRS"), Chapter 91 and HRS, Chapter 206E. Once the Draft TOD Plan and Rules are adopted by the Authority, the Plan and Rules will be transmitted to the Governor's office for approval.
96		Stations with Final TOD Plans	2	0	N/A	●	7	7	N/A	●	The Waipahu Neighborhood TOD plan (Waipahu and West Loch Stations) and Alea Pearl City TOD plan (LCC, Pearl Highlands and Pearlridge Stations), and HCDA KCDD TOD Overlay Plan Final EIS have been adopted.
97		Total Stations with Draft or Final TOD Plans	2	0	N/A	●	19	21	N/A	●	TOD plans are being created for 21 stations.
98	Customer Perspective	PUBLIC OUTREACH									
99		Build a Social Media Community	90	—	N/A	●	2,609	—	N/A	●	# of unique Facebook followers.
100		Proactive Community Outreach: Neighborhood Board Meetings	18	—	N/A	●	1,034	—	N/A	●	# Neighborhood Board Meetings in which HART has participated to date since 2006.
101		Proactive Community Outreach: Presentations/Events	36	—	N/A	●	1,909	—	N/A	●	# Events in which HART has participated to date since 2006.
102		SERVICE DELIVERY									
103		Fare Collection System				○				○	The Fare Collection System Technical Support Consultant has been awarded. The Fare Systems Contract is under procurement.
104		Bus-Rail Integration Plan				○				○	In April 2014, Bus-Rail Integration Plans were issued. The plans are subject to change and do not reflect operating costs.
105		HART Operating Organization Plan				○				○	TBD
106		HART Service Policy/Standards				○				○	TBD
107		LIVABILITY									
108	HART Sustainability Policy				■				■	HART staff presented a summary of HART's sustainability and energy strategy to the Board of Directors on Nov. 24, 2015. Status for the Current Quarter and Inception to Date have changed from white to green.	

Appendix B

HART Organizational Charts

December 11, 2015

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

Prepared by:

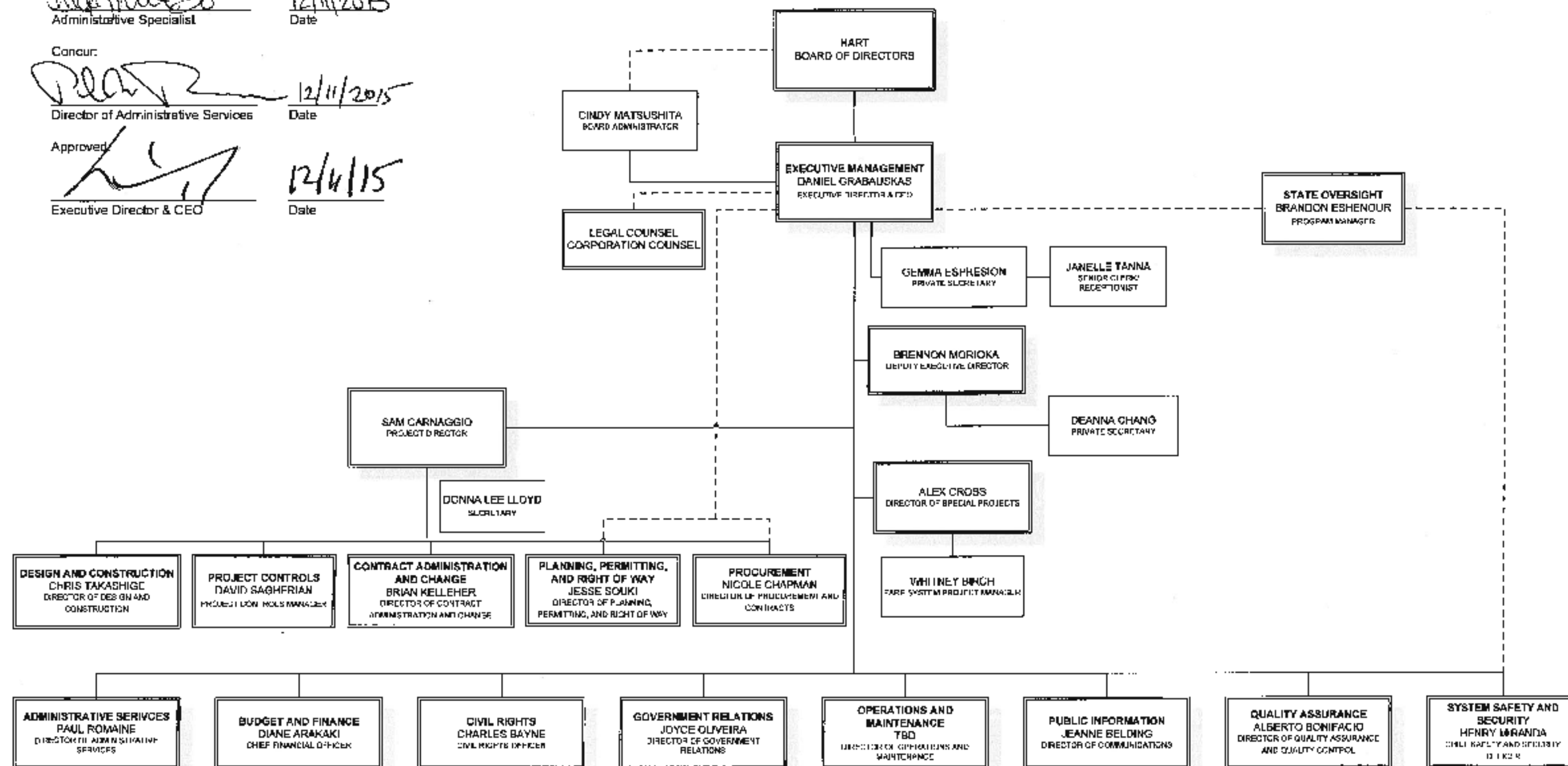

Administrative Specialist
Date: 12/11/2015

Concur:

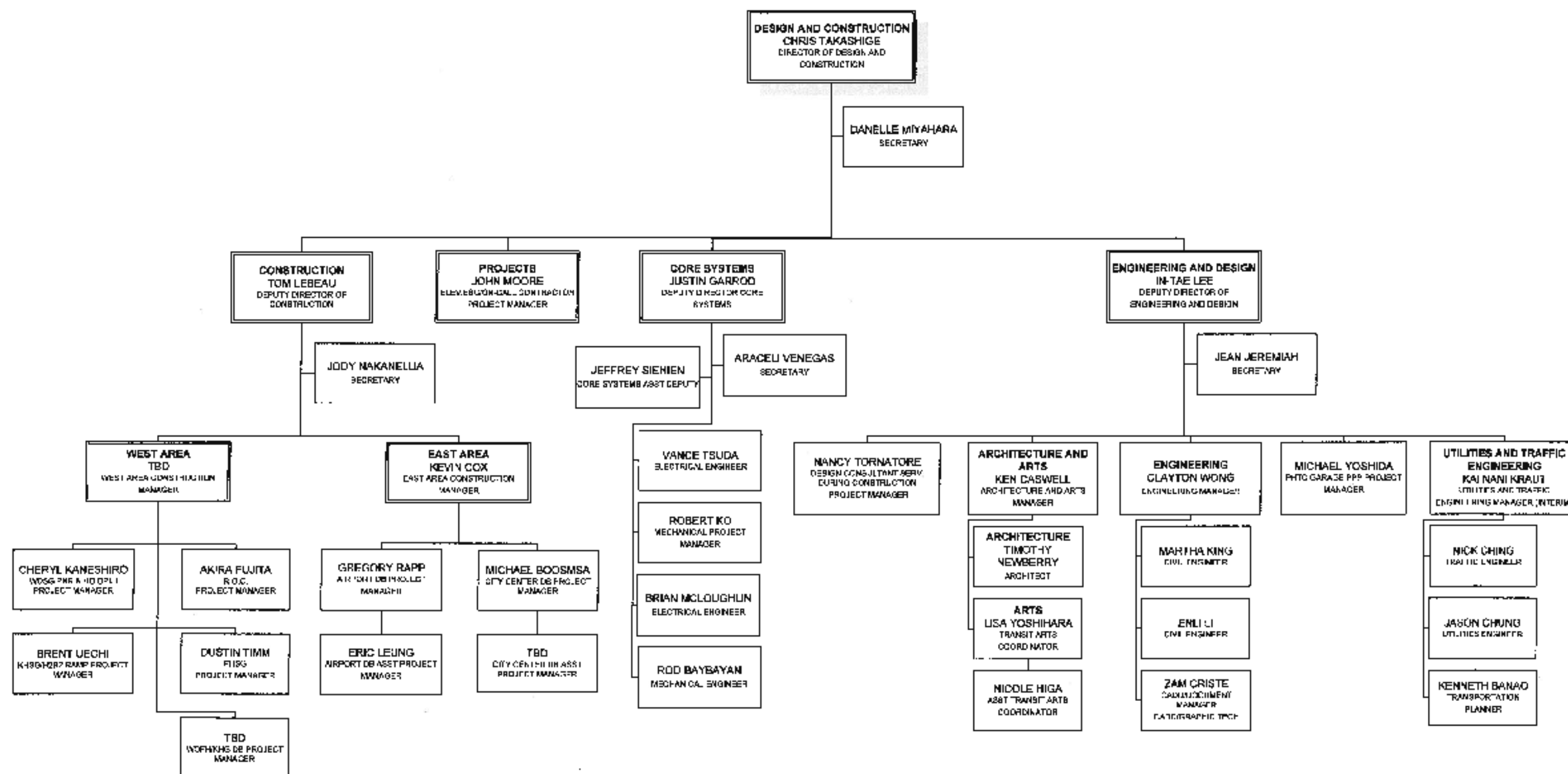

Director of Administrative Services
Date: 12/11/2015

Approved:


Executive Director & CEO
Date: 12/4/15

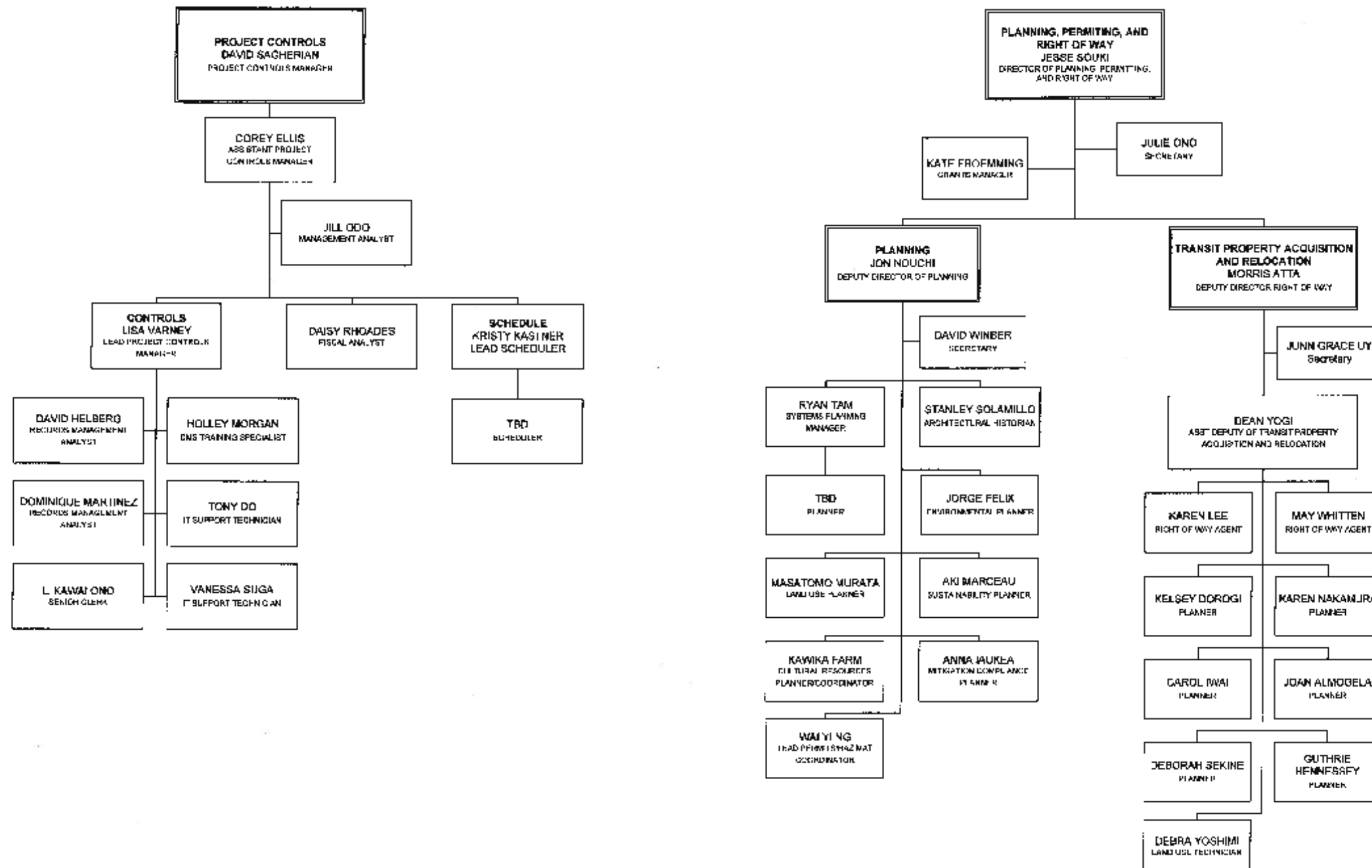


HONOLULU AUTHORITY FOR RAPID TRANSPORTATION DESIGN AND CONSTRUCTION

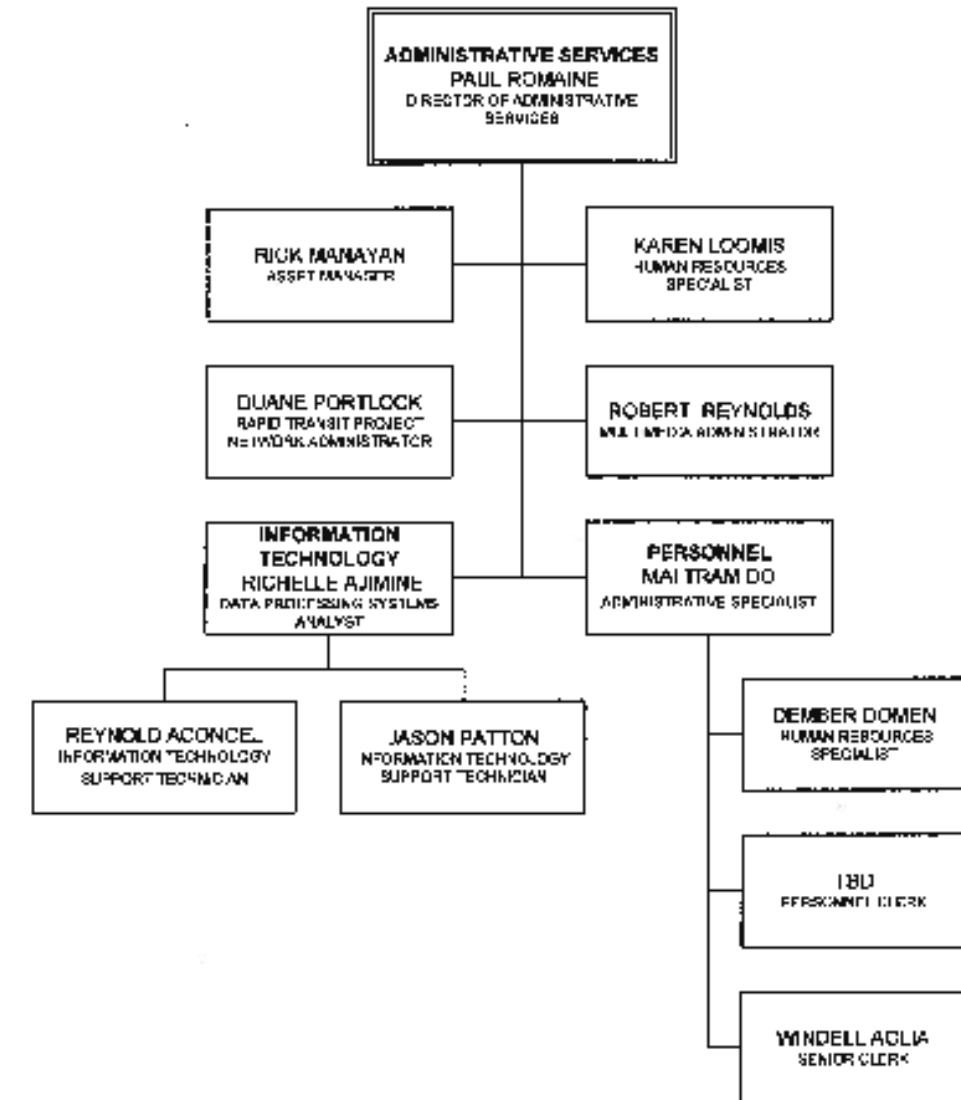
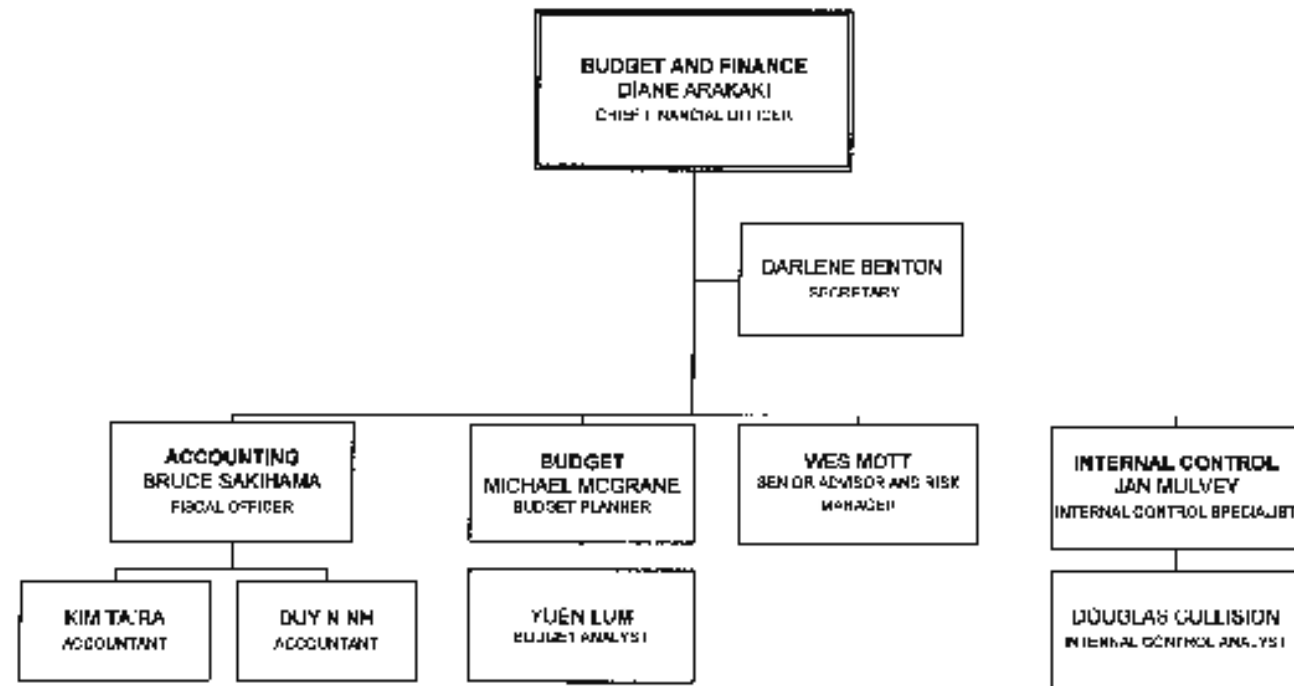


HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

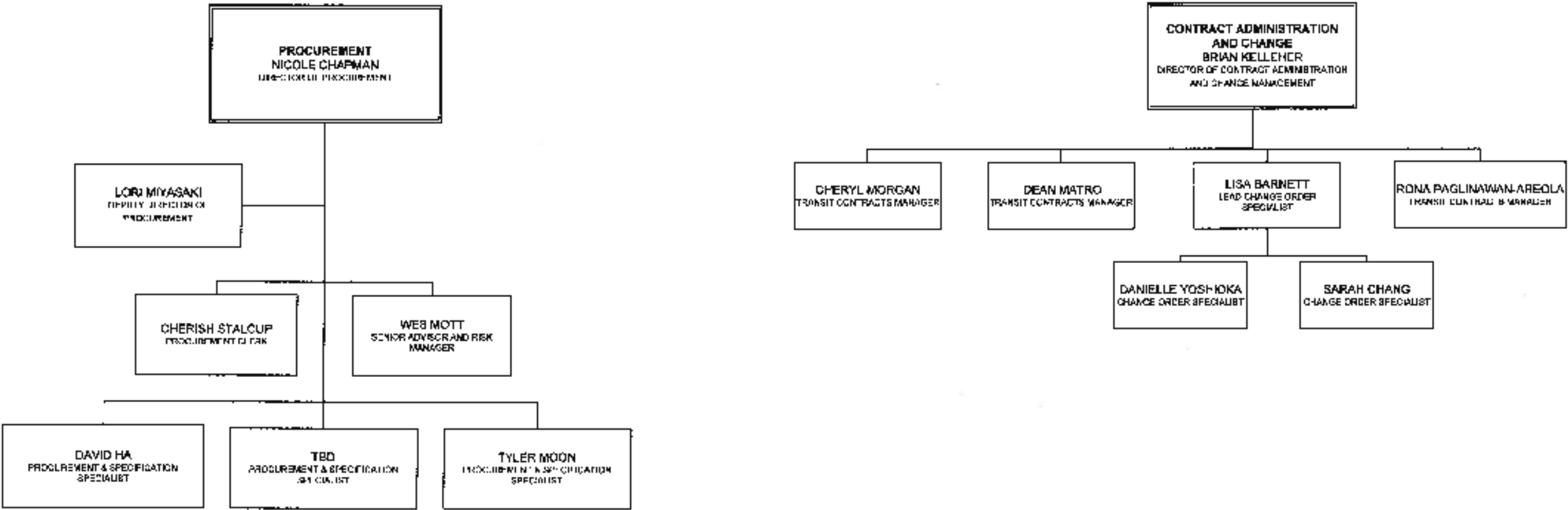
PROJECT CONTROLS AND PLANNING, PERMITTING AND RIGHT OF WAY



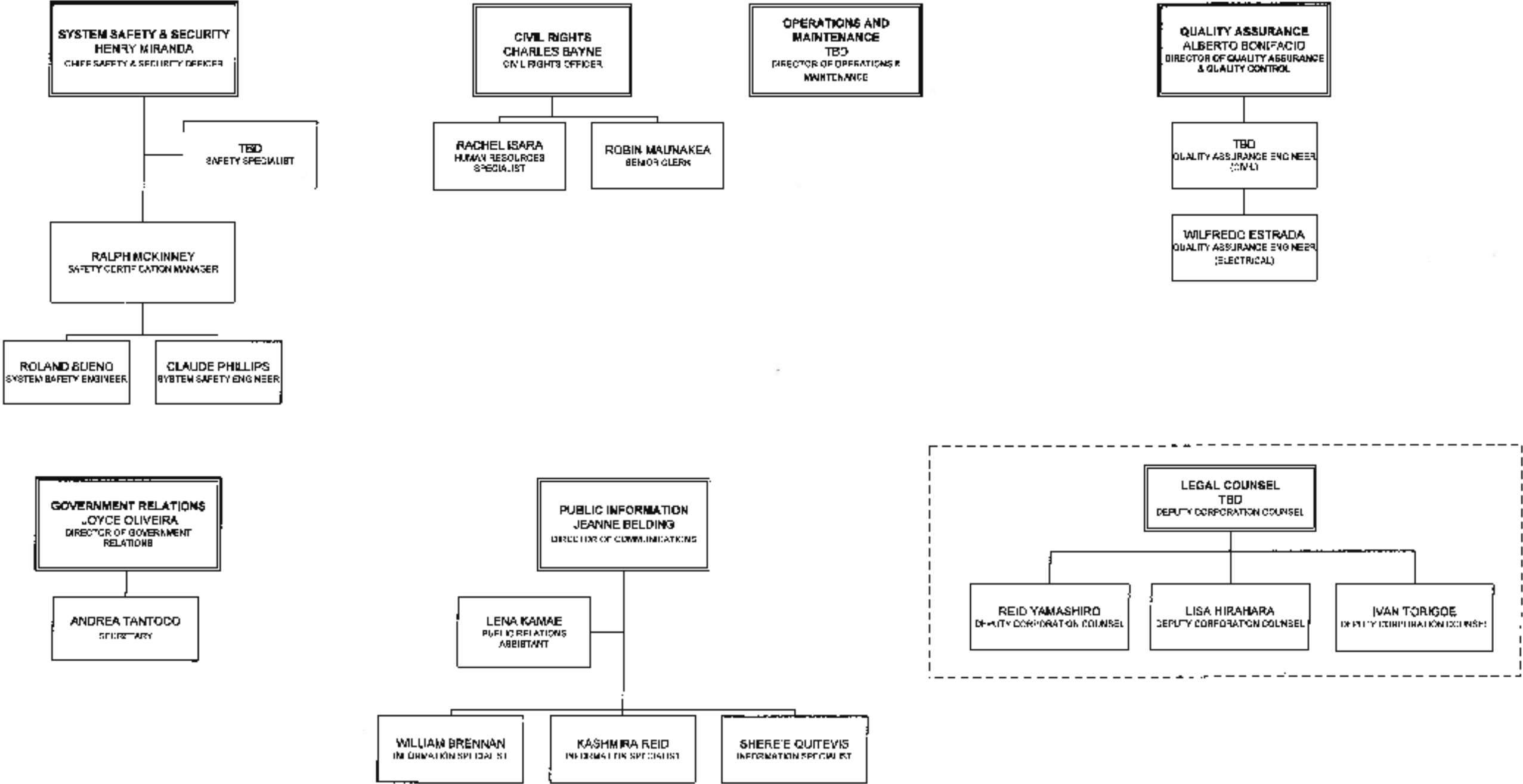
HONOLULU AUTHORITY FOR RAPID TRANSPORTATION BUDGET AND FINANCE, AND ADMINISTRATIVE SERVICES



**HONOLULU AUTHORITY FOR RAPID TRANSPORTATION
PROCUREMENT, CONTRACTS ADMINISTRATION AND CHANGE**



HONOLULU AUTHORITY FOR RAPID TRANSPORTATION
SYSTEM SAFETY & SECURITY, CIVIL RIGHTS, OPERATIONS AND MAINTENANCE, QUALITY ASSURANCE,
GOVERNMENT RELATIONS, PUBLIC INFORMATION, LEGAL COUNSEL



Appendix C

Project Background and Description

The Alternatives Analysis (AA) for the project was initiated in August 2005 and the *Honolulu High-Capacity Transit Corridor Project Alternatives Analysis Report* was presented to the Honolulu City Council in November 2006. The purpose of the report was to provide the City Council with the information necessary to select a mode and general alignment for high-capacity transit service on Oahu. The report summarized the results of the AA that was conducted following the FTA's planning guidance. It also provided information on the costs, benefits, and impacts of four alternatives: No Build Alternative, Transportation System Management Alternative, Managed Lane Alternative, and Fixed Guideway Alternative.

During November and December 2006, public meetings were held on the AA. On December 22, 2006, the Honolulu City Council enacted Ordinance No. 07-001, which selected a fixed guideway alternative from Kapolei to the University of Hawaii at Manoa with a connection to Waikiki as the Locally Preferred Alternative (LPA) for the project. Ordinance 07-001 identified a specific alignment for the majority of the corridor but left options open in two locations. At the western end of the corridor, the LPA selection identified two alignments (described in the AA Report as Section I – Saratoga Avenue/North-South Road and Kamokila Boulevard/Farrington Highway), with the notation “*as determined by the city administration before or during preliminary engineering.*” In the center of the corridor, the LPA selection also identified two alignments (described in the AA Report as Section III – Salt Lake Boulevard and Aolele Street), also with the notation “*as determined by the city administration before or during preliminary engineering.*”

The LPA selection was made recognizing that the then-identified revenue sources, including revenues from the 0.5 percent county GET surcharge in place from January 1, 2007, through December 31, 2022, and a reasonable expectation of FTA New Starts funds, would not be sufficient to fund the capital cost of the LPA. Thus, a financially feasible project needed to be identified. On February 27, 2007, the Honolulu City Council initially selected a segment of the LPA from East Kapolei to Ala Moana Center, via Salt Lake Boulevard (Resolution 07-039, FD1(c)). However, on January 28, 2009, the Honolulu City Council, under Resolution 08-261, recommended replacing the Salt Lake portion of this initial alignment with a route that includes direct service to Pearl Harbor and the Airport. This section of the LPA, from East Kapolei to Ala Moana Center, which serves the Airport is referred to as “the project” and is shown in **Figure 1**. The LPA is now known as the Honolulu Rail Transit Project (H RTP) and described in Project Description found on the page which follows Figure 1.

Figure 1: The Project



Project Description

The H RTP consists of the design and construction of a 20-mile, grade-separated, fully-automated fixed rail system following the alignment depicted in Figure 1. The rail line will operate in an exclusive right-of-way and be elevated except for a 0.6 mile at-grade section near Leeward Community College. The line will be powered with third rail electrification.

The project scope includes 80 light metro fully automated (driverless) rail vehicles and a Rail Operations Center (ROC) on a 44-acre parcel near Leeward Community College. The ROC will have four buildings that will house various maintenance facilities, a vehicle wash area and a system control center. The ROC site will also include a track storage area for the railcars and an employee parking area. The ROC buildings will be designed to meet Leadership in Energy and Environmental Design silver certification requirements.

The project includes 21 stations with passenger canopies, seating areas and art work. All stations, except for the one at Leeward Community College, will be elevated. There will be four park-n-ride facilities with a total of 4,100 spaces. The park-n-ride facility at Pearl Highlands Station will be a parking structure which will feature an access ramp from the H-2 freeway directly into the parking structure.

The target revenue service date for the project is January 31, 2020. Hours of operation in the opening year will be from 4 am to midnight on weekdays. On weekends and holidays service will run from 6 am to midnight. In the opening year, service will operate every 5 minutes during weekday peak periods, every 11 minutes during weekday off-peak periods, and every 18 minutes on weekday evenings. On weekends in the opening year, service will operate every 18 minutes all day. In the project forecast year of 2030, service will operate every 5 minutes during weekday peak periods, every 9 minutes during off-peak times and every 15 minutes during the evening. On weekends in the forecast year, service will operate every 15 minutes during the day and evening. Average weekday passenger boardings are projected to be 104,300 in the opening year and 119,500 in 2030.

System-wide Elements

The selected transit technology is electrically powered, industry-standard steel wheel on steel rail powered from a third-rail system. The selected vehicle is to be capable of a top speed greater than 50 mph. The vehicles will be fully automated and driverless although train attendants are planned to be riding trains for customer relations and emergency situations. The driverless option is possible because the fixed guideway will operate in exclusive right-of-way with no vehicular or pedestrian crossings.

The traction power distribution system consists of about 14 substations and main line track power distribution facilities. The substations will be spaced at approximately one and one-half mile intervals along the alignment.

Train signaling will use automatic train control and automatic train operations technology. The communications and security systems include emergency phones, closed-circuit television, and public address and information display systems.

The railcars will have a length of roughly 60 feet and the capacity to carry upwards of 160 persons. Trains will consist of four railcars. Additional vehicles can be added to the fleet as passenger demand requires in the future. The ROC will have the capacity to maintain and store up to 150 railcars.

In FY2014, a decision was made to add platform screen barriers and doors to the project scope. As a result, the project will now utilize a Platform Screen Gate system that is more like a fence with automated openings at all rail stations. Safety is the principal benefit for passengers, as the installation of these gates will preclude accidental train track guideway incursion and reduce the risk of accidents, especially when trains are entering the station. Active barrier systems create a safety separation between the track area and the platform to protect people from falling off the platform thereby eliminating the potential hazard of being struck by a moving train or being shocked or electrocuted by the third power rail. This change will also serve to minimize the potential for service interruptions caused by incursions on the track guideway in station areas.

Fare Collection

A unified fare structure is planned, which will be integrated with the City's existing bus system, TheBus. The H RTP was originally contemplated to have a barrier-free, proof-of-payment fare collection system utilizing fare vending machines in all stations and fare inspectors riding the system to verify proof of fare payment. In FY2015, the decision was made to utilize a traditional barrier fare collection system with fare gates that require payment to enter the rail station. This type of system is feasible for the H RTP since nearly all rail stations will be elevated with controlled access. Fare gate systems cost more to initially install but are less expensive to operate long term. They also reduce the potential for fare evasion by train users and provide information on travel and usage patterns which will help with planning service levels and bus-rail connections.

The fare collection system currently planned will be a multi-modal, account-based smart card system using proven technology. Rail fare system components will include both standard and ADA gates with smart card readers and ticket vending machines (TVMs) at each station. Bus fare collection will utilize on-board smart card readers in addition to cash payment. The overall integrated system will include various back office systems with redundancy. A contract to implement this joint fare collection system was awarded in April 2016. During FY2017, a series of key fare policy decisions will be made to guide the final design of the fare collection system.

Appendix D

Financial Charts and Tables

Project and Systemwide Sources and Uses of Funds, FY2010 - FY2030, YOY \$millions

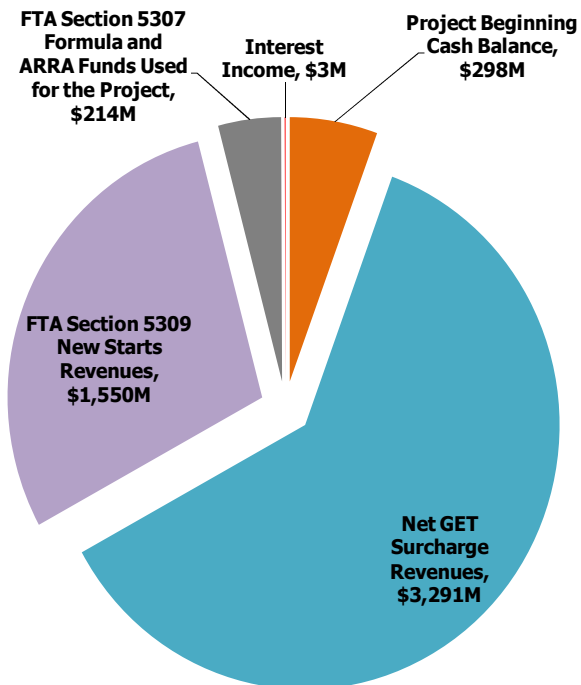
SOURCES OF FUNDS		YOY \$M	USES OF FUNDS		YOY \$M
Project Capital Sources of Funds			Project Capital Uses of Funds		
Project Beginning Cash Balance		298	Project Capital Cost		4,949
Net GET Surcharge Revenues		3,291	Subtotal Project Capital Cost		\$4,949
FTA Section 5309 New Starts Revenues		1,550	Finance Charges		
FTA Section 5307 Formula and ARRA Funds Used for the Project 1/		214	Interest Payment on GO Bonds Issued for the Project		191
Interest Income		3	Interest Payment on Tax-Exempt Commercial Paper		10
Transfer from Project Cash Balance to Ongoing Rail Capital and O&M Cost		(193)	GO Bond Issuance Cost		13
			Subtotal Finance Charges		\$215
Subtotal Project Capital Sources of Funds		\$5,163	Subtotal Project Capital Uses of Funds		\$5,163
Ongoing Capital Sources of Funds			Ongoing Capital Uses of Funds		
FTA Section 5309 Fixed Guideway Modernization		80	Additional Railcar Acquisitions		35
FTA Section 5309 Bus Discretionary		116	Project Capital Asset Replacement Program		150
FTA Section 5307 Formula Funds Used for Ongoing Capital Cost		499	TheBus Vehicle Acquisitions		667
FTA Section 5307 and 5309 Grants Carryover from Prior Years		50	Other Capital Cost		235
American Recovery and Reinvestment Act		26	TheHandi-Van Vehicle Acquisitions		138
FTA Section 5316 (JARC) and 5317 (New Freedom)		0			
Transfers to the State's Vanpool Program		(3)			
Transfer from Project Cash Balance to Ongoing Rail Capital Cost		54			
City General Obligation Bond Proceeds		404			
Subtotal Ongoing Capital Sources of Funds		\$1,225	Subtotal Ongoing Capital Uses of Funds		\$1,225
TOTAL CAPITAL SOURCES OF FUNDS		\$6,388	TOTAL CAPITAL USES OF FUNDS		\$6,388
Operating Sources of Funds			Operating Uses of Funds		
Fare Revenues (TheBus and Rail)		2,098	TheBus O&M Costs		5,459
Fare Revenues (TheHandi-Van)		60	Rail O&M Costs		1,613
Subtotal Fare Revenues		\$2,158	TheHandi-Van O&M Costs		1,310
FTA Section 5307 Formula Funds Used for Preventative Maintenance		247	Other O&M Costs		55
FTA Section 5316 (JARC) and 5317 (New Freedom)		20			
Transfer from Project Cash Balance to Rail O&M Cost		140			
City Operating Subsidy		5,871			
TOTAL OPERATING SOURCES OF FUNDS		\$8,436	TOTAL OPERATING USES OF FUNDS		\$8,436

1/ Includes \$4M from American Recovery & Reinvestment Act of 2009
Note: totals may not add due to rounding

Source: 2012 Financial Plan

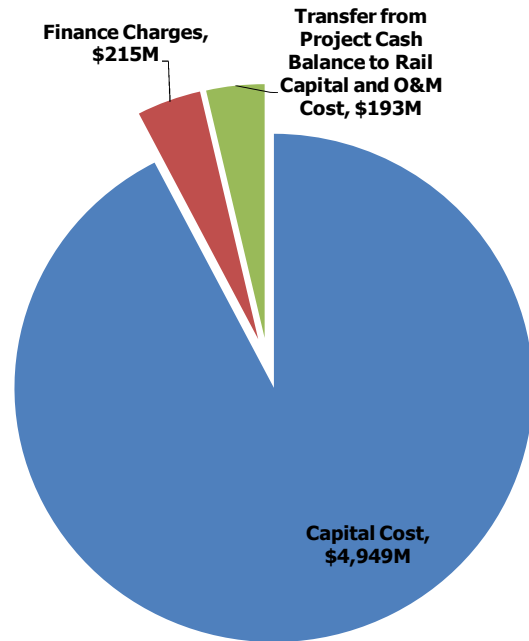
Project Sources and Uses of Funds, YOE \$millions

Where the Dollars Come From:



Note: Totals may not add due to rounding
ARRA = American Recovery and Reinvestment Act

Where the Dollars Go:



Source: Financial Plan, June 2012

Source: 2012 Financial Plan

SUMMARY OF HART FINANCIAL INFORMATION - FY2014 to FY2017

	FY2014	FY2015	FY2016	FY2016	FY2017
	Actual	Actual	Budget	Projection	Budget
Total Budget					
Operating Budget	19,416,780	30,812,675	29,212,800	18,469,180	31,380,800
Capital Budget	326,672,087	523,982,051	1,477,058,200	592,800,000	2,145,880,800
Total Budget Request	346,088,867	554,794,726	1,506,271,000	611,269,180	2,177,261,600
Operating Expenses					
Personnel (includes GASB 68 pension adj. FY15)	11,268,354	24,852,814	14,019,000	12,912,448	14,577,200
Current expenses	8,111,804	5,942,139	7,187,800	4,919,768	6,797,600
Equipment & Software/Depreciation	36,622	17,722	6,000	17,625	6,000
Interest Expense / Debt origination costs	0		8,000,000	619,339	10,000,000
	19,416,780	30,812,675	29,212,800	18,469,180	31,380,800
Reimbursements to Other City Depts.					
Salaries, Fringe Benefits & Current Expenses	403,155	605,672	1,021,400	576,090	1,052,700
City Overhead Contribution (CASE)	923,621	621,389	1,010,100	798,515	1,018,100
Other City Depts. Reimbursements Total	1,326,775	1,227,061	2,031,500	1,374,605	2,070,800
HTRP Capital Expenses					
Consultant Services	54,250,912	14,617,666	26,653,600	15,031,169	1,215,000
Design Services	51,940,414	16,127,856	1,400,000	14,800,000	
Programmatic Agreement	42,247	187,226	200,000	62,604	223,000
Utility Relocation	3,318,174	26,270,445	0	29,298,515	
Construction, Const. Mgmt. & Inspec.	203,858,305	348,238,335	143,976,100	413,174,811	33,969,000
Core Systems & Equipment	0	72,525,583	0	65,584,639	8,770,000
Land Acquisitions	12,840,014	23,653,347	0	46,022,572	
Relocation	385,435	2,613,410	0	1,678,914	
Public Art	0	0	0	14,950	
Insurance (OCIP)	0	19,748,183	0	7,131,826	8,000,000
Quality Audits	36,586	0	20,000	0	
Contingency & Recertification & others	0	0	250,000,000	0	130,122,000
Re-Appropriations From FY 2015	0	0	1,054,808,500	0	1,963,581,800
HART Capital Program Total	326,672,087	523,982,051	1,477,058,200	592,800,000	2,145,880,800